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October 20, 1999

ADMINISTRATIVE

OCT 20 1999

Tennessee Public Service Commission Paul Green Communications Division 460 James Parkway Nashville TN 37243-0505

99-00806 JR

TN REGULATORY AUTHORITY

RE: TriVergent Communications, Inc. Facilities Based Application

Dear Mr. Green:

Enclosed please find an original and 30 copies of TriVergent's application to provide resell as well as facility based services.

Also enclosed is an additional copy to be returned in the self-addressed and stamped envelope provided.

If you have any question regarding this filing, please do not hesitate to call me at (864) 967-4113.

With best regards,

Mary Campbell
Tariff Manager

2. Names and addresses of all officers in Tennessee.

The names and addresses of the applicant's principal corporate officers and other senior managers responsible for Tennessee local operations are listed in Attachment A of this application. At the present time none of TriVergent's corporate officers are located in the State of Tennessee.

3. <u>Corporate Information</u>

TriVergent Communications, Inc. was incorporated in the State of South Carolina on 7-30-99. A copy of TriVergent's articles of incorporation and amendments are provided in Attachment B, and a copy of TriVergent's Authority to transact business in the State of Tennessee is provided in the Attachment C.

4. Repair and Maintenance Information.

TriVergent understands the importance of effective customer service for local service consumers. TriVergent has made arrangements for all its customers to call the company at its toll free customer service number. In addition customers may contact the company in writing at the headquarters address. The toll-free number will be printed on the customers' monthly billing statements.

5. Status of TriVergent in other states.

See Attachment D.

6. Financial, Managerial and Technical Qualifications.

TriVergent possesses the managerial, technical and financial ability to provide local facilities and resell telecommunications service in the State of Tennessee as demonstrated below.

6. A. Financial Qualifications

In support of its financial qualifications, TriVergent Communications, Inc. has a number of financial vehicle s to ensure adequate liquidity in meeting its anticipated funding needs. TriVergent expects improved revenues throughout 2000 as it realizes operating efficiencies through operations and services provided through its own facilities. Attachment C summarizes the recent financial performance and asserts that it has the financial resources necessary to operate as a competitive reseller and facility based local and long distance service provider in Tennessee.

TriVergent agrees to abide by all applicable Orders, rules and regulations entered and adopted by the Tennessee Regulatory Authority.

Respectfully submitted this 18 day of October 1999.

Respectfully submitted, TriVergent Communications, Inc. (Formerly State Communications, Inc.)

Hamilton E. Russell, III V.P. of Regulatory Affairs

800-249-2735 864-271-7810

Dated: 04. 18, 1999

STATE OF TENNESSEE BEFORE THE

BEFORE THE
TENNESSEE REGULATORY AUTHORITY 20 PM 3 C9
DOCKET NO.

99-00806

EXECUTIVE CONSTANT

APPLICATION OF TRIVERGENT COMMUNICATIONS INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE RESELL AND FACILITY BASED LOCAL EXCHANGE AND LONG DISTANCE TELECOMMUNICATIONS SERVICES

TESTIMONY OF HAMILTON E. RUSSELL

- Q. Please state your name and business address.
- A. My name is Hamilton E. ("Bo") Russell III and my business address is 200 North Main Street, Suite 303, Greenville SC 29601.
- Q. By whom are you employed and in what capacity?
- A. I am the Vice President and General Counsel of TriVergent Communications ("TriVergent").
- Q. Please give a brief description of your responsibilities with TriVergent, as well as your legal back-ground and experience.
- A. At TriVergent, I am responsible for addressing the various legal and regulatory matters that arise in the course of becoming a certified provider of local and long distance telecommunications services. I oversee and coordinate the applications taking place in a number of states, and provide counsel on a variety of transactional and contractual matters for the company. Prior to joining TriVergent, I was an associate with the firm of Haynsworth, Marion, McKay, and Guerard in Greenville from 1995 until early 1998. I received a Juris Doctor from the University of South Carolina in May of 1995, and a Bachelor of Arts from Washington and Lee 'University in 1992.
- Q. What is the purpose of your testimony?
- A. The purpose of my testimony is to describe the nature of TriVergent's proposed service offerings within the State of Tennessee and to demonstrate its financial, managerial, and technical ability to provide local and long distance telecommunications services within the State of Tennessee.
- Q. Do you wish to incorporate by reference any documents into your testimony?
- A. Yes. I wish to incorporate by reference the underlying Application filed in this proceeding and its associated exhibits.

Q. Has TriVergent registered to do business in Tennessee?

A. Yes. TriVergent is a South Carolina corporation duly authorized to do business in South Carolina. Copies of the Articles of Incorporation and Certificate of Authority to Transact Business in the State of Tennessee are attached to TriVergent's application.

Q. Please describe the services TriVergent intends to provide within the State of Tennessee

A. TriVergent is a reseller and future facilities based service provider of interexchange telecommunications services in equal access (Feature Group D areas). TriVergent intends to provide switchless interexchange telecommunications services from points of origin within the state of Tennessee to points of termination within Tennessee, other parts of the United States, and foreign countries. TriVergent also seeks certification to provide all services that can be provided by a local exchange carrier. TriVergent will operate as a switchless or bundled reseller, relying on the resold services of the incumbent LECs' retail services and facilities based services in certain areas of the state.

Q. Does TriVergent own the switch used in routing calls?

A: At this time TriVergent will use the facilities of its underlying carrier to originate and terminate all calls but request the authority to be allowed to offer facilities based services in the future.

Q. What carrier will TriVergent utilize as its underlying carrier for the resale of interexchange telecommunications services in Tennessee?

A. TriVergent will base its decisions regarding which carrier it will utilize upon TriVergent's analysis of facility cost, suitability and quality of service. It will only utilize carriers properly certified by this Commission to provide service in the State of Tennessee. TriVergent currently utilizes the interexchange carrier services of Frontier Communications other certified IXCs, and Bell South.

Q. What types of customers does TriVergent intend to serve?

A. TriVergent plans to serve both residential and business customers, offering a product of local and long distance services.

Q. Has TriVergent provided any intrastate telecommunications services within the state of Tennessee?

A. Yes, under the name of State Communication, Inc. the name change was filed with the commission in September 1999.

Q. When does TriVergent expect to be able to provide service in Tennessee?

A. With regard to local service, TriVergent hopes to enter the Tennessee facilities based local market shortly after receiving certification and filing its final tariff with the Commission. TriVergent has executed an agreement with BellSouth Telecommunications, Inc. ("BellSouth") to resell the local services of BellSouth in Tennessee. That resale agreement was filed with and approved by the Commission. TriVergent will begin to provide interLATA interexchange services upon approval of its final tariff by the Commission.

- Q: Will TriVergent's tariff comply with the rules and regulations of the Commission applicable to Companies reselling the proposed services?
- A: Yes.
- Q. Will TriVergent comply with the Commission's orders regarding the resale of interexchange carrier services?
- A. Yes. TriVergent will at all times provide and market interexchange carrier services in accordance with current Commission policies. In particular, TriVergent at all times provides interstate services in compliance with all FCC rules and regulations.
- Q: Will TriVergent provide free blocking of 900 and 700 type services?
- A: Yes.
- Q: How are billing errors and complaints handled?
- A: TriVergent has a dedicated Customer Service Division, staffed by over 20 employees whose sole function is to provide assistance to TriVergent's customers. TriVergent has a policy of responding to complaints and customer inquiries in a rapid, efficient manner. When a billing error is brought to TriVergent's attention, TriVergent's Customer Service Representative retrieves the customer's call detail and issues a credit applied to the customer's nextbill. If the Customer Service Representative cannot resolve a problem with the Customer, Management will handle the problem. If Management cannot resolve the problem, Management shall refer the customer to the Commission. Our Customer Service Representatives have call detail electronically available for review, and archived summaries of customers' bills include the customer's complete history with TriVergent:
- Q. How will Tennessee customers contact TriVergent's customer service division?
- A. Customers can call TriVergent's toll-free number 24 hours a day, seven days a week, which is 1-800-800-9861. The number will be provided and printed on monthly billing statements.
- Q. Has TriVergent requested certification for local and long distance telecommunications authority in any other state?
- A. TriVergent has received certification to provide local and long distance telecommunications services in the State of Kentucky, South Carolina, Mississippi, Louisiana and Alabama. In addition to its application here in Tennessee, TriVergent has applications pending in North Carolina, Georgia, Florida.

- Q. Does TriVergent have sufficient managerial resources and abilities to provide telecommunications services in Tennessee?
- A. Yes. The management team of TriVergent has considerable experience in management, marketing, network operations, customer service, and financial and accounting issues. The company profile is attached to TriVergent's Application as Tab IV, TriVergent's officers have many years of experience in the telecommunications field, and have played integral roles in the! operations of carriers such as Corporate Telemanagement Group ("CTG"), LCI International ("LCI"), and Business Telecom, Inc. ("BTI"),
- Q. Describe TriVergent's financial ability to provide local and long distance services.
- A. In support of TriVergent's financial ability to provide the services sought herein, TriVergent filed its most recent annual report and accompanying financial disclosure statements with the Regualtory Authority as an Attachment to the Application in this proceeding. At the time of hearing, if necessary, I will provide further testimony to support TriVergent's financial ability to provide the services set forth in its Application.
- Q. How will the people of Tennessee benefit from TriVergent's services and presence in Tennessee?
- A. TriVergent will improve the overall quality and variety of services available in Tennessee by providing business and residential customers competitive rates and capable, responsive customer service. By offering am among customers greater variety and choice local exchange and interexchange carriers, TriVergent's entry into Tennessee will increase competition in the local and long distance markets, and motivate other companies to provide innovative services, improve the quality of their networks, and lower prices.
- Q. Does this conclude your testimony?
- A. Yes it does. I would like to thank the Regulatory Authority for this opportunity to provide information relevant to TriVergent 's Application and stand ready to provide any additional information that the Regulatory Authority may need in making its decision.

VERFICATION

STATE OF SOUTH CAROLINA

COUNTY OF GREENVILLE

Hamilton E. Russell, III, being first duly sworn, deposes and says: That he is the VP of Regulatory for TriVergent Communications, Inc. the applicant in the above proceeding, that he has read the foregoing application and knows the contents thereof. And that he is authorized by TriVergent to verify that the contents of the application are true.

Hamilton E. Russell, III

TriVergent Communications, Inc.

Subscribed and sworn Before me this 18 day Of Oct. 1999.

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My Commission Expires March 3, 2008

EXHIBIT A

Officers and Directors

Board of Directors

Name	Position	Address
Charles S. Houser	Chairman of the Board	200 N Main St., Suite 303 Greenville SC 29601
Russell W. Powell	Member	200 N Main St., Suite 303 Greenville SC 29601
Clark Mizell	Member	200 N Main St. Suite 303 Greenville SC 29601

Officers

Charles S. Houser	Chief Executive Officer	200 N Main St., Suite 303 Greenville SC 29601
Ron Kirby	Executive of VP of Network	200 N. Main Street, Suite 303
Shaler P. Houser	Operations Executive Vice President of Corporate Development	Greenville SC 29601 200 N Main St., Suite 303 Greenville SC 29601
Russell W. Powell	President	200 N Main St., Suite 303 Greenville SC 29601
Clark Mizell	Executive Vice President and Chief Financial Officer	200 N Main St., Suite 303 Greenville SC 29601
Vincent Oddo	Executive Vice President and Chief Information Officer	200 N Main St., Suite 303 Greenville SC 29601
George R. McDougald	Executive Vice President of Sales and Marketing	200 N Main St., Suite 303 Greenville SC 29601
Hamilton E. Russell, III	Secretary	200 N Main St., Suite 303 Greenville SC 29601
Thomas E. Houlihan	Executive VP of Network	200 North Main St. Suite 303
Judith Slaughter	Engineering Executive VP of Customer Operations	Greenville SC 29601 200 N. Main St. Suite 303 Greenville SC 29601

EXHIBIT B

Certificate of Incorporation

CERTIFIED TO BE A TRUE AND COMPARED WITH THE

(SPINNING COMPARED WITH THE

(SPINNING COMPARED WITH THE

JUL 3 0 1999.

REGRETARY OF STATE OF SOUTH CAROLINA

STATE OF SOUTH CAROLINA SECRETARY OF STATE

ARTICLES OF AMENDMENT

Jim Miles	
0	4
SECRETARY OF STATE	
FILED	•
JUL 3 0 1999	PM
1014	
7 8 9 10 11 12 1 2 3 4	<u> </u>

TYPE OR PRINT CLEARLY IN BLACK INK

Pursuant Section 33-10-106 of the 1976 South Carolina Code of Laws, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

- 1. The name of the corporation is State Communications Telecom, Inc.
- 2. Date of Incorporation 5/20/99
- 3. Agent's Name and Address Hamilton E. Russell, IIII, 200 North Main Street, Suite 303, Greenville, SC 29601
- 4. On July 29, 1999, the corporation adopted the following Amendment (s) of its Articles of Incorporation: (Type or attach the complete text of each Amendment)

 The name of the corporation is changed to "TriVergent Communications, Inc."
- 5. The manner, if not set forth in the Amendment, in which any exchange, reclassification, or cancellation of issued shares provided for in the Amendment shall be effected, is as follows: (if not N/A).
- 6. Complete either "a" or "b", whichever is applicable.
 - a. [X] Amendment(s) adopted by shareholder action.
 At the date of adoption of the Amendment, the number of outstanding shares of each voting group entitled to vote separately on the Amendment, and the vote of such shares was:

Voting Group	Number of Outstanding	Number of Votes Entitled	Number of Votes Represented at	Number of Undisputed* Shares		
Common	Shares 1,000	<u>to be Cast</u> 1,000	the meeting 1,000	<u>For</u> o	Against 0	
			•	1,000	U	

State Communications Telecom, Inc. Name of Corporation

*NOTE: Pursuant to Section 33-10-106(6)(i) of the 1976 South Carolina Code of Laws, as amended, the corporation can alternatively state the total number of disputed shares cast for the amendment by each voting group together with a statement that the number of cast for the amendment by each voting group was sufficient for approval by that voting group.

- b. [.] The Amendment(s) was duly adopted by the incorporators or board of directors without shareholder approval pursuant to Section 33-6-102(d), 33-10-102 and 33-10-105 of the 1976 South Carolina Code of Laws, as amended, and shareholder action was not required.
- 7. Unless a delayed dated is specified, the effective date of these Articles of Amendment shall be the date of acceptance for filing by the Secretary of State (See Section 33-1-230(b) of 1976 South Carolina Code of Laws, as amended)

Date July 29 . 1999

State Communications Telecom, Inc.

Name of Corporation

Signature

Type or Brint Name and Off

FILING INSTRUCTIONS

- 1. Two copies of this form, the original and either a duplicate original or a conformed copy, must by filed.
- 2. If the space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form.
- 3. Filing fees and taxes payable to the Secretary of State at time of filing application.

Filing Fee Filing tax

\$ 10.00

Total

100.00 \$110.00

Return to: Secretary of State P.O. Box 11350

Columbia, SC 29211

EXHIBIT C

Certificate of Authority to Transact Business in the State of Tennessee

Secretary of State Corporations Section James K. Polk Building, Suite 1800 Nashville, Tennessee 37243-0306

DATE: 08/11/99
REOUEST NUMBER: 3727-1186
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 08/11/99 1025
EFFECTIVE DATE/TIME: 08/11/99 1025
CONTROL NUMBER: 0375365

TO:
HAYNSWORTH MARION MCKAY & GUERARD LLP
75 BEATTIE PL 11TH F
P O BOX 2048
GREENVILLE, SC 29602

RE: TRIVERGENT COMMUNICATIONS, INC. APPLICATION FOR CERTIFICATE OF AUTHORITY -FOR PROFIT

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED CERTIFICATE OF AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DATE OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION OF THE CORPORATION'S FISCAL YEAR. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED OF ITS CERTIFICATE OF AUTHORITY.

HEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY - FOR PROFIT

ON DATE: 08/11/99

FROM: HAYNSWORTH, MARION, MCKAY & GUENARD P.O. BOX 2048

GREENEVILLE, SC 29602-0000

RECEIVED:

FEES \$600.00

\$0.00

TOTAL PAYMENT RECEIVED:

\$600.00

RECEIPT NUMBER: 00002534249 ACCOUNT NUMBER: 00100347



RILEY C. DARNELL SECRETARY OF STATE

EXHIBIT D

Status of TriVergerent In Other States

TriVergent is authorized to provide local and long distance service in South Carolina, Mississippi, Kentucky, Louisiana, Alabama, applications pending in North Carolina, Georgia and Florida.

EXHIBIT E

Financial Statements

	Month Ended	Eight Months Ended
	August 31, 1999	August 31, 1999
Local Revenue	\$ 1,385,068	\$ 13,332,181
LD Revenue	321,685	2,675,917
LD Monthly Fees	123,649	1,387,120
DCS Revenue	220,041	306,504
Internet Revenue	180,147	951,426
Credits	(86,279)	(504,290)
Total Revenue	2,144,311	18,148,858
Local Line Cost	1,058,361	10,329,500
LD Line Cost	213,357	1,682,897
DCS Cost of Sales	200,345	290,072
Internet Line Cost	92,369	520,408
Total Cost of Sales	1,564,432	12,822,877
Gross Profit	579,879	5,325,981
Check Expense	-	1,025,819
Advertising Expense	62,043	1,998,301
Mailing Expense	515	450,653
Other	184,156	2,595,463
Total Sales & Marketing Exp	246,714	6,070,236
Outsourced Customer Service	58,673	1,486,474
Bell Switch Fee	25,146	498,912
Operating Salaries	344,190	2,308,435
Billing Expense	63,745	517,348
Other	134,378	711,988
Total Operating Expenses	626,132	5,523,157
G&A Salaries	310,166	1,609,750
Bonus Expense	20,000	57,908
Bad Debts	300,000	5,165,418
Lease Expense	32,009	219,674
Rent Expense	25,898	181,604
Consulting Expense	159,094	1,174,506
Benefits, Group Ins.	70,601	327,532
Other	203,838	1,400,064
Total Gen. & Admin. Expenses	1,121,606	10,136,456
Total SG&A	1,994,452	21,729,849
EBITDA	(1,414,573)	(16,403,868)
Depreciation & Amortization	109,609	593,558
Interest (Income) Expense	(182,095)	456,615
Total Other Income & Expenses	(72,486)	1,050,173
Income (Loss) before Taxes Tax Provision	(1,342,088)	(17,454,042)
Net Income (Loss)	\$ (1,342,088)	\$ (17,454,042)

State Communications, Inc. Balance Sheet August 31, 1999 Unaudited

Comment		August 1999	July 1999	December 1998	De	cember 31 1997
Current Assets Cash & Cash Equivalents	\$	37,770,335	\$ 40,942,421	\$ (404,146)	\$	53,042
Accounts Receivable		5,078,156	9,969,628			
Allowance for Bad Debt		(1,085,003)		, . ,		_
Accounts Receivable - Unbilled		337,275	389,713	,		
Net Accounts Receivable		4,330,428				-
Notes Receivable		194,275	194,27	5 194,275		_
Other Assets	_	502,144	651,675	5 560,550		612,107
Total Current Assets		42,797,182	46,306,749	2,954,322		665,149
Property & Equipment						
Computers & Equipment		2,988,820	2,848,995	1,338,688		_
Switch Equipment		7,779,607	627,550	-		-
Furniture & Fixtures		402,337	. ,	126,251		-
Accum Dep - Comp Equip		(629,459)	. , ,	(146,899)		-
Accum Dep - Furn & Fixt		(29,913)	(25,655)	(3,696)		-
Net Property & Equipment	_	10,511,392	3,315,737	1,314,344		•
Goodwill		2,372,572	2,348,020	<u>-</u>		
Total Assets	<u>\$</u>	55,681,146	\$ 51,970,506	\$ 4,268,666	\$	665,149
Current Liabilities						
Accounts Payable	•			_		
Line Cost Payable	\$	5,820,308	\$ 770,560	\$ 938,383	\$	-
Line of Credit		561,293	621,354	1,219,795		-
Notes Payable		5,834 4,210,000	8,207	-		
FirstPay Unearned Revenue		50,000	4,210,000	50.000		-
Other Payables & Accruals		1,248,217	50,000 1,115,496	50,000 830,855		-
Total Current Liabilities		11,895,652	6,775,617	3,039,033		_
Long-Term Liabilities						
Line of Credit		2,000,000	2,000,000	_		_
Notes payable		67,007	69,353	83,382		-
Total Long-Term Liabilities		2,067,007	2,069,353	83,382		<u> </u>
Total Liabilities		13,962,659	8,844,970	3,122,415		_
Stockholder's Equity						
Common Stock		11,143	11,133	10,324		3,300
Preferred Stock		185,783	185,783	47,117		-
Additional Paid In Capital		71,760,002	71,803,472	18,059,710		701,700
Subscription Receivable		0	0	(4,208,002)		-
Retained Earnings Net Loss		(12,762,898) (17,475,544)	(12,762,898) (16,111,954)	(39,851) (12,723,047)		(39,851)
Total Stockholder's Equity		41,718,486	43,125,536	1,146,251		665,149
• •		. 1,7 10,400	13,123,330	1,170,231		003,149
Total Liabilities & Equity	<u>\$</u>	55,681,145	\$ 51,970,506	\$ 4,268,666	\$	665,149

The Global Leader

STATE COMMUNICATIONS, INC.

Financial Statements

For the year ended December 31, 1998 and From October 29, 1997 (Date of Inception) through December 31, 1997

(With Independent Auditors' Report Thereon)



One Insignia Financial Plaza P.O. Box 10529 Greenville, SC 29603

Independent Auditors' Report

The Board of Directors
State Communications, Inc.:

We have audited the accompanying balance sheets of State Communications, Inc. as of December 31, 1998 and 1997 and the related statements of operations, stockholders' equity, and cash flows for the year ended December 31, 1998 and for the period from October 29, 1997 (date of inception) through December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of State Communications, Inc. as of December 31, 1998 and 1997, and the results of its operations and its cash flows for the year ended December 31, 1998 and for the period from October 29, 1997 (date of inception) through December 31, 1997 in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 8 to the financial statements, the Company incurred substantial losses in 1998, which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 8. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

KPMG Peat Marwick LLP

Greenville, South Carolina April 2, 1999

Balance Sheets

December 31, 1998 and 1997

Assets Current assets:		1998	1997
Cash	•		
Receivables:	\$	1,399,204	53,042
Trade, net of allowance for uncollectible accounts			
of \$1,976,000 in 1998 and \$0 in 1997		2 602 642	
Stock subscriptions receivable (note 2)		2,603,643 4,208,002	
Prepaid expenses and other current assets		222,933	595,500
Total current assets		8,433,782	16,607 665,149
Furniture, fixtures, and equipment:		, ,	005,145
Computer equipment			
Furniture and fixtures		1,338,688	
- winter o the fixtures		126,251	
Less accumulated depreciation		1,464,939	
Net furniture, fixtures, and equipment		(150,595)	
- 100 canada, inclues, and equipment		1,314,344	
Other noncurrent assets		194,275	
	\$	9,942,401	665,149
Liabilities and Stockholders' Equity			
Current liabilities:			
Bank overdraft			
Accounts payable		1,803,350	
Accrued expenses		1,820,561	
Total current liabilities		880,855	
		4,504,766	
Note payable to bank (note 4)		83,382	
Total liabilities		4,588,148	
		1,500,140	
Stockholders' equity			
Series A 5.5% convertible preferred stock \$.01 par value; 10,000,000			
shares authorized; 4,711,672 shares issued and outstanding			
in 1998		11 000 000	
Common stock, \$.001 par value, 50,000,000 and 20,000,000 shares		11,237,605	_
authorized in 1998 and 1997; 10,324,462 and 6,600,000 shares			
issued and outstanding in 1998 and 1997		10,324	
Additional paid-in-capital		6,869,222	6,600
Accumulated deficit		(12,762,898)	698,400
Total stockholders' equity		5,354,253	(39,851)
Commitments and continues in the continu		, <u>,</u>	005,143
Commitments and contingencies (notes 3, 6, 7, 8 and 12)	_		
	\$	<u>9,9</u> 42,401	665,149

Statements of Operations

Year ended December 31, 1998 and for the period from October 29, 1997 (Date of Inception) through December 31, 1997

	1998	Inception through December 31, 1997
Revenues	\$ 5,261,146	
Cost of services	3,802,036	
Gross profit	1,459,110	
Selling, general, and administrative expenses Depreciation and amortization Operating loss	(14,141,893) (150,595) (12,833,378)	(39,851)
Interest income, net Loss before income taxes	110,331 (12,723,047)	(39,851)
Income taxes (note 5)		
Net loss	\$(12,723,047)	(39,851)

Statements of Stockholders' Equity

Year ended December 31, 1998 and for the period from October 29, 1997 (Date of Inception) through December 31, 1997

	Convertible Preferred Stock	Common Stock	Additional Paid-in- Capital Amount	Accumulated Deficit	Total Stockholders' Equity
Balance at October 29, 1997	s —	_			
Issuance of common stock, 6,600,000 shares in initial private offering at average price of \$.11 per share	_	6,600	698,400		705,000
Net loss				(39,851)	(39,851)
Balance at December 31, 1997		6,600	698,400	(39,851)	665,149
Issuance of common stock, 1,761,000 shares at \$1.00 per share		1,761	1,759,239	_	1,761,000
Issuance of common stock, 1,963,462 shares at \$2.25 per share, net of issue costs of \$4,243	—	1,963	4,411,583		4,413,546
Issuance of preferred stock, 4,711,672 shares, at \$2.40 per share, net of \$70,408 issue costs	11,237,605	_	_		11,237,605
Net loss				(12,723,047)	(12,723,047)
Balance at December 31, 1998	\$_11,237,605	10,324	6,869,222	(12,762,898)	5,354,253

Statements of Cash Flows

Year ended December 31, 1998 and for the period from October 29, 1997 (Date of Inception) through December 31, 1997

	1998	Inception through December 31, 1997
Cash flows from operating activities:		
Net loss	\$ (12,723,047)	(20.051)
Adjustments to reconcile net earnings to net cash used in operating activities:	Ψ (12,723,047)	(39,851)
Provision for uncollectible accounts	1,976,000	
Depreciation and amortization	150,595	_
Changes in operating assets and liabilities:	150,575	
Trade receivables	(4,579,643)	
Notes receivable	(194,275)	-
Prepaid expenses and other current assets	(206,326)	(16 607)
Accounts payable	1,820,561	(16,607)
Accrued expenses	880,855	
Net cash used in operating activities	(12,875,280)	(56,458)
Cash flows from investing activities:		
Purchases of equipment, furniture and fixtures	(1,464,939)	
Net cash used in investing activities	(1,464,939)	
Cash flows from financing activities:		
Proceeds from issuance of note payable to bank	90,000	
Principal payments on note payable to bank	•	
Proceeds from issuance of preferred stock	(6,618)	
Proceeds from issuance of common stock	7,029,603 6,770,046	100 500
Increase in bank overdraft		109,500
Net cash provided by financing activities	1,803,350	100.500
	15,686,381	109,500
Net increase in cash	1,346,162	53,042
Cash at beginning of year	53,042	
Cash at end of year	\$1,399,204_	53,042
Supplemental disclosures:		
Interest paid	• _	
Stock subscriptions receivable	\$ 1,952 \$ 4,208,002	595,500
		375,500

Notes to Financial Statements

December 31, 1998 and 1997

(1) Organization and Significant Accounting Policies

(a) Organization

State Communications, Inc. ("SCI" or "Company") is a telecommunications services provider servicing primarily the residential consumer and small business markets for both local exchange and long distance services. SCI was organized in October 1997 as a South Carolina corporation, and was the first fully integrated Competitive Local Exchange Carrier ("CLEC") operating in the eastern United States to utilize mass marketing for residential consumers. SCI markets primarily in areas controlled by BellSouth. In 1997, the Company was classified as a development stage enterprise. In June of 1998, the Company began earning revenue and is no longer classified as development stage.

(b) Revenue Recognition

Revenue is recognized as services are provided to customers. The Company bills customers in arrears for actual local and long-distance usage amounts and in advance for fixed monthly services fees. Accounts receivable as of December 31, 1998 include revenues of approximately \$728,161 for which services were provided in December and billed in the subsequent period.

(c) Concentration of Credit Risk

Financial instruments which potentially expose the Company to concentrations of credit risk consist primarily of trade accounts receivable. Although the Company's customer base is fairly centralized geographically, there is no particular concentration of industry. As a result, management believes no additional credit risk beyond amounts provided for collection losses is inherent in accounts receivable.

(d) Furniture, Fixtures, and Equipment

Furniture, fixtures, and equipment are stated at cost. Depreciation on furniture, fixtures, and equipment is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 7 years.

(e) Other Noncurrent Assets

Other noncurrent assets consist primarily of an employee note receivable which accrues interest at 8.75% and matures November 30, 2001.

Notes to Financial Statements

December 31, 1998 and 1997

(f) Income Taxes

The Company records income taxes under the asset and liability method. As such, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(g) Stock Split

On May 1, 1998, the Company issued a two-for-one stock split in the form of a stock dividend. A total of 4,180,500 shares of common stock were issued in connection with the two-for-one stock split. The stated par value of each share was not changed from \$.001. All share data have been restated to reflect the stock split as of the earliest period presented.

(h) Stock Option Plan

Statement of Financial Accounting Standards No. 123 allows an entity to apply the provisions of APB Opinion No. 25 and provide pro forma net income and, if earnings per share is presented, pro forma earnings per share disclosures for employee stock option grants made as if the fair-value-based method defined in Statement No. 123 had been applied. The Company has elected to continue to apply the intrinsic-value-based method under the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of Statement No. 123.

(i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates, such as the allowance for uncollectible accounts, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Stock Subscriptions Receivable

During October 1998, the Company privately offered and sold 4,711,672 shares of Series A 5.5% convertible preferred stock at \$2.40 per share. Payments of \$7,029,603 were received toward these preferred stock subscriptions through December 31, 1998. The remaining balance of \$4,208,002 was received by the Company in January, 1999. At December 31, 1997, the Company had stock subscriptions receivable of \$595,500 from the original issue of common stock. Such amounts were collected by February, 1998.

Notes to Financial Statements

December 31, 1998 and 1997

Each share of Series A convertible preferred stock can be converted, at the option of the holder at any time, to one share of common stock. Convertible preferred shares will automatically convert upon completion of an initial public offering or election of a majority of the holders of convertible preferred stock. In the event of liquidation, holders of convertible preferred stock, are entitled to receive an amount equal to the original purchase price (as adjusted for stock dividends, splits, combinations, etc.) prior to any distributions to common stockholders. After payment of the liquidation preference, assets of the Company shall be distributed ratably to holders of common and convertible preferred, as if conversion had taken place.

At the election of at least 50% of the holders of convertible preferred stock, the Company shall redeem one third of the outstanding convertible preferred stock on the fourth, fifth, and sixth anniversaries of the closing date (i.e. October 2002, 2003, and 2004, respectively). Such redemptions shall be at a price equal to the greater of the fair market value of the convertible preferred stock on the date of the redemption or the original purchase price (as adjusted for stock dividends, splits, combinations, etc.) plus accrued and unpaid dividends.

Each share of convertible preferred stock is entitled to a single vote for each share of common stock into which it is convertible.

(3) Line of Credit

On April 15, 1998, the Company entered into a financing agreement, a line of credit, with a commercial bank that permits the Company to borrow up to \$1,000,000 at the bank's prime rate plus one percent. Interest accrues monthly, but payments of principal and interest are not required to begin until one year after the date on which the loan was created. The line of credit agreement expires April 15, 1999. As of December 31, 1998, the Company had no outstanding balance under the line of credit.

Two of the Company's board members are personal guarantors on the line of credit agreement. In consideration of the financial support of the guarantors, the Company agreed to issue warrants permitting the guarantors to each purchase 100,000 shares of the Company's common stock at \$2.25 per share. On April 15, 1999, the guarantors have the right to be relieved of their obligation to guarantee the indebtedness of the Company. If the Company fails to timely reduce the financial exposure of the guarantors to zero, the Company shall issue to the guarantors shares of common stock at the price of \$2.25 per share in an amount which equals the amount of money actually expended by the guarantors. The fair market value of the warrants were not material at date of grant.

(4) Note Payable to Bank

The Company borrowed \$90,000 on September 29, 1998 issuing a note payable to a bank which had an outstanding balance of \$83,382 as of December 31, 1998. The note bears interest at 8.75%, matures September 29, 2001, and is collateralized by furniture and fixtures.

Notes to Financial Statements

December 31, 1998 and 1997

(5) Income Taxes

The income tax benefit for 1998 and 1997 differed from the amounts computed by applying the Federal income tax rate of 34% as a result of the following:

	_	1998	1997
Computed "expected" tax benefit Increase (decrease) in income taxes resulting from:	\$	(4,326,000)	(14,000)
State and local income taxes, net of Federal income tax effect Change in the valuation allowance for deferred tax		(420,000)	(1,000)
assets allocated to income tax expense Other, net	_	4,742,000 4,000	15,000
Actual tax benefit	\$ _		

The tax effect of temporary differences and carryforwards which give rise to deferred tax assets and liabilities as of December 31, 1998 and 1997 are as follows:

	1998	1997
Deferred tax assets:		
Accrued liabilities and allowances	740,000	
Capitalized start-up costs	436,000	15,000
Net operating loss carryforwards	3,669,000	_
Total gross deferred tax assets	4,845,000	15,000
Less valuation allowance	(4,757,000)	(15,000)
Net deferred tax assets	88,000	
Deferred tax liabilities:		
Fixed assets, principally due to differences in		
depreciation	(88,000)	
Net deferred tax asset (liability)	\$	

At December 31, 1998, the Company has a net operating loss carryforward for Federal and state income tax purposes of approximately \$9,800,000 which is available to offset future taxable income, if any, through the year 2018.

The valuation allowance for deferred tax assets as of December 31, 1998 is \$4,757,000. The net change in the tax valuation allowance for the year ended December 31, 1998 was an increase of \$4,742,000.

Notes to Financial Statements

December 31, 1998 and 1997

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. In order to fully realize the deferred tax asset, the Company will need to generate future taxable income prior to the expiration of the net operating loss carryforward. Based upon the level of taxable losses incurred during the start-up phase and projections for future taxable income over the periods which the deferred tax assets are deductible, management believes it has established an appropriate valuation allowance at December 31, 1998.

(6) Leases

The Company leases office space and other equipment. All leases have been classified as operating leases for financial reporting purposes and rent expense for the years ended December 31, 1998 and 1997 totaled \$106,717 and \$0, respectively. Future minimum lease payments under all of the noncancelable operating leases for the years subsequent to December 31, 1998 are as follows:

1999 2000 2001 2002 2003	\$ 387,532 341,492 286,844 220,420 127,838
Total minimum lease payments	\$ 1,364,126

(7) Commitments

As of December 31, 1998, the Company has contractual commitments to purchase long distance service from a national long distance carrier through March 2002. Commitments under the contract require minimum purchases in increasing monthly amounts up to \$1.1 million per month in 2000. Aggregate minimum usage commitments total \$40,000,000.

(8) Liquidity

For the year ended December 31, 1998, the Company incurred a substantial net loss of \$12,723,047 and had negative cash flows from operating activities of \$12,875,280. The Company has experienced operating losses as a result of efforts to build its infrastructure and internal staffing, develop its systems, and expand into new markets. Assuming financing is available, the Company expects to continue to focus on increasing its customer base and expanding its network operations. Accordingly, the Company expects that its cost of services, selling, operating, and administration expenses and capital expenditures will continue to increase significantly, all of which will have a negative impact on short-term operating results. Subsequent to year end, the Company has collected \$4,208,002 in preferred stock subscriptions and \$6,335,000 from a note offering (Notes 2 and 12). In the opinion of management, the Company's current cash position and other

Notes to Financial Statements

December 31, 1998 and 1997

debt and equity offering opportunities will be sufficient to meet the capital and operating needs of the Company through at least 1999. However, there can be no assurance that the Company will be able to raise additional funds through debt or equity offerings in the future. In addition, there can be no assurance that growth in the Company's revenue or customer base will continue or that the Company will be able to achieve or sustain profitability and/or positive cash flow.

(9) Employee Incentive Plan

On January 12, 1998, the Company established the State Communications, Inc. Employee Incentive Plan under which options, bonus stock awards, and restricted stock awards may be issued at the discretion of the Board of Directors of the Company. Options and/or awards for no more than 4,000,000 of the Company's common stock may be granted pursuant to this plan. The options are exercisable at the rate of 20% per year for five years. Qualified options for the purchase of an aggregate of 3,399,000 shares, with exercise prices ranging from \$1.50 to \$2.40 per share and a weighted average exercise price of \$1.71, have been granted and are outstanding at December 31, 1998. The weighted average remaining contractual life of the options outstanding was 9.18 years. At December 31, 1998, 601,000 shares were available for issue or grant under the employee incentive plan. No options were exercisable at December 31, 1998.

The per share weighted-average fair value of options granted during 1998 was \$.80 on the date of grant using the minimum value method with the following weighted-average assumptions: expected dividend yield 0%, risk-free interest rate of 6.50%, and an expected life of 10 years.

The Company applies APB Opinion No. 25 in accounting for options granted under its employee incentive plan and, accordingly, no compensation cost has been recognized for option grants in the financial statements. Had the Company accounted for compensation cost based on the fair value at the grant date for stock options in the plan under SFAS No. 123, net loss would have been reported as the pro forma amounts indicated below:

Net loss
As reported
Pro forma

\$ (12,723,047)
(12,906,451)

For pro forma purposes, compensation cost is reflected over the options' vesting period.

(10) Employee Benefit Plan

The Company maintains an employee benefit plan for all eligible employees of the Company under the provisions of the Internal Revenue Code Section 401(k). The State Communications, Inc. 401(k) Plan allows for employee contributions up to 15% of compensation and, upon annual approval of the Board of Directors, the Company matches 50% of employee contributions up to 6% of total compensation subject to certain adjustments and limitations. A total of \$24,332 and \$0 was charged to operations for the Company's matching contribution in 1998 and 1997, respectively.

Notes to Financial Statements

December 31, 1998 and 1997

(11) Year 2000

The Company has completed an impact analysis to determine the scope of its Year 2000 issues. Systems which are not Year 2000 compliant will be replaced or reprogrammed, and then tested for Year 2000 compliance. The failure to detect and correct a material Year 2000 problem could result in an interruption in normal business activities or operations. Due to the general uncertainty inherent in the Year 2000 problem, resulting primarily from the uncertainty of third party suppliers and customers, the Company is unable to determine whether the consequences of Year 2000 failures will have a material impact on the Company's operations.

(12) Subsequent Events

On February 25, 1999, the Company entered into a two-year agreement to sell, on an ongoing basis and without recourse, trade accounts receivable for up to \$25,000,000 to an independent issuer of receivable-backed paper. Under SFAS No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, the sale of the receivables is reflected as a reduction of trade accounts receivable at the time of the sale.

On March 15, 1999, State Communications, Inc. acquired 100% of the stock of Carolina Online, Inc., headquartered in Anderson, South Carolina. Carolina Online, Inc. is an internet service provider and the total purchase price was \$496,461 in cash and \$1,309,967 in common stock. The transaction was accounted for under the purchase method of accounting.

On March 31, 1999, the Company issued \$6,335,000 of Series 1999 Notes Payable with detachable warrants due January 3, 2000 and interest payable at an annual rate of 13%. The notes were sold at par. The detachable warrants allow investors to purchase 36 shares of common stock at an exercise price of \$2.00 per share for every \$1,000 of principal amount of notes purchased. The offering was made to company affiliates and outside accredited investors.

If the Series 1999 notes payable are not paid in full on or before January 3, 2000, the holder may, at his option, convert the notes, into shares of common stock of the Company, at the effective price per share of common stock received by the Company upon the sale of its common stock, or a security convertible into its common stock, in a capital transaction in which the Company receives proceeds of at least \$2,000,000, or in absence of such a transaction, at a conversion price of \$2.40 a share.

Revenue:	1999	2000	2001	2002	2003
Local revenue	\$ 18,168,355	\$ 26,513,288	83,511,198	\$ 153,619,544	\$ 209,301,280
Rental Revenue Installation	-	1 044 005			•
LD revenue	4,210,322	1,814,925 1,1 90 ,313	3,541,725 625,127	2,014,800 70,662	2,047,200 45,224
Internet Revenue	1,510,000	2,704,645	4,050,615	4,740,970	4,978,018
Credits Total Revenue	(196,732 23,691,946		(844,370) 90,884,295	(1,522,712)	(2,077,882)
	20,001,040	01,000,407	90,004,285	158,923,264	214,293,840
Local Line Cost Rent Expense	14,419,179		33,571,994	58,990,025	76,494,602
LD Line Cost	257,250 1,608,245		2,740,800 3,852,167	2,740,800 6,908,636	2,740,800
Internet Costs	1,132,500		2,430,369	2,844,582	9,469,166 2,986,811
Total Line Cost	17,417,174	23,912,413	42,595,330	71,484,042	91,691,379
Gross Margin	6,274,771	8.046.044	48,288,965	87,439,222	122,602,461
%	26.48%		53.13%	55.02%	57.21%
Sales & Marketing Expenses:					
Marketing Salaries	827,167		4,553,532	4,915,827	5,161,415
Marketing Piece Benefits, Group ins., payroll taxes	164,500 172,896	663,269	071 644	4 054 440	
Commissions	314,386	1,384,798	971,644 5,056,922	1,054,410 9,169,244	1,108,439 12,493,954
Bonuses Training	96,258	224,508	303,008	313,471	325,751
Check Printing	87,667 190,750	438,867	296,000	346,000	396,000
Mail Stuffing	166,500	-		:	:
Marketing Piece Postage Market Research - CMS	542,300	1,260,000	960,000	500,000	500,000
Public Relations	75,000 120,000	60,000 180,000	60,000 180,000	60,000 180,000	60,000
Customer incentive	1,182,624	-	180,000	100,000	180,000
Telemarketing Expense Advertising / Media	161,000				-
Travel	2,329,000 113,000	2,577,000 803,000	1,852,500 1,141,000	1,694,000 1,200,000	1,694,000
Welcome kit /Retention	231,062	-	1,141,000	1,200,000	1,212,000
Third Party verification Mailing Lists	59,750	-	-	•	•
Total Sales & Marketing Expenses	7,494,542	10,729,243	15,374,607	19,432,952	23,131,559
	31.63%		16.92%	12.23%	10.79%
Operating Expenses: Secondary Service Charge	CO4 505				
Operations Salaries	631,595 3,263,344	3,454,233	4,392,535	6,920,523	8,300,660
Benefits, Group ins., payroll taxes	598,102	660,462	874,954	1,429,876	1,731,394
Bonuses OSS Systems	410,152	384,620	464,408	700,931	833,665
Telephone - Data Gathering	75,000	120,000	120,000	120,000	120,000
Training	36,000	36,000	36,000	40,000	40,000
Provisioning Bill Processing and Printing		4,423,213	8,287,522	9,057,802	9,224,511
Biling Postage	297,462 223,914	195,702 161,505	200,407 123,959	313,908 241,681	377,102 303,794
Outsourcing CSR	1,591,600		-	241,001	-
Hardware/Software Maintenance Credit & Collections	202.000	-	1,500,000	700,000	1,500,000
Crodic & Conections	203,000	184,000	240,000	200,000	250,000
Total Operating Expenses	7,330,169	9,619,734	16,239,786	19,724,721	22,681,127
General & Administrative Expenses:	30.94%	30.10%	17.87%	12.41%	10.58%
G&A Salaries	2,486,225	4,010,110	4,981,054	4,975,450	5,187,778
Production of the control of the con	-		-	-	-
Bad debt expense Benefits, Group ins.	6,390,319 465,754	853,353 803,947	1,915,506	3,251,960	4,363,070
Bonuses	248,623	401,011	998,608 498,105	997,375 497,545	1,044,087 518,778
Donations	9,851	12,000	12,000	12,000	12,000
Telephone Insurance	479,079 74,000	743,173	766,028	704,405	806,981
Lock box fees	38,626	252,000 16,025	288,000 22,415	292,000 43,869	372,000 55,130
Bank fees	51,501	12,166	1,945	66	42
Travel & Entertainment Rent	201,000	180,000	180,000	180,000	200,000
Postage	414,000 56,000	977,500 150,000	960,000 150,000	980,000 160,000	1,010,000 160,000
Dues & Subscriptions	16,000	36,000	72,000	87,000	112,000
Consultants (MIS / HR / TAX)	1,250,000	180,000	180,000	175,000	200,000
Parking Fees Security	90,047 30,000	30,000	30,000	15,000	15,000
Association / Trade Show Fees	18,000	18,000	18,000	15,000	15,000
Legal & Audit	361,000	330,000	240,000	250,000	250,000
Supplies Repairs & Maintenance	240,893 52,000	271,541 756,000	338,850 756,000	342,399 436,000	372,399 536,000
Lease exp Furniture	124,000	390,000	335,000	310,000	360,000
Lease exp Computer Lease exp Telephone equip	84,000	108,000	60,000	60,000	60,000
cease exp reiepnone equip	144,000	456,000	396,000	396,000	456,000
Taxes & Licenses	76,000	276,000	276,000	286,000	286,000
Miscellaneous Total General & Administrative Expenses	640,000	505,000	540,000	135,000	135,000
administrative Expenses	14,040,918 59.26%	11,767,826 36.82%	14,015,511 15.42%	14,602,069 9.19%	16,527,264 7.71%
T-1-10011					
Total SG&A %	28,865,628	32,116,803	45,629,904	53,759,742	62,339,949
	121.84%	100.50%	50.21%	33.83%	29.09%
Interest Expense	2,891,303	11,954,295	15,212,289	15,271,872	14,666,872
	12.20%	37.41%	16.74%	9.61%	6.84%
Depreciation	2,218,965	15,611,264	17,399,258	18,118,284	19,498,452
Income before taxes	(97 704 194)	(E1 636 240)	(20.050.406)		
Tax provision	(27,701,124)	(51,636,318) -	(29,952,486)	289,324	26,097,188
Net income (loss)	(27,701,124)	(51,636,318)	(29,952,486)	289,324	26,097,188
%	-116.92%	-161.57%	-32.96%	0.18%	12.18%
EBITDA	(22,590,857)	(24,070,759)	2,659,061	33,679,480	60,262,512
	-95%	-75%	3%	21%	28%

TriVergent Communications, Inc. Consolidated Balance Sheet

		1st Quarter 1999		2nd Quarter 1999	3rd Quarter 1999		4th Quarter 1999
Assets							
Cash	\$	3,930,426	\$	1,478,000	\$ 26,098,269	\$	13.685.598
Accounts receivable, net - Local		2,902,829		2,281,547	1,654,365	•	1,208,828
Accounts receivable, net - LD		808,828		1,020,160	686,367		456.190
Inventory		·-		-	•		144,000
Other Assets		754,825		754.825	2,754,825		5.094,669
Fixed assets		2.390.939		3,149,691	39,437,725		63,344,607
Accumulated depreciation		(306,515)		(523,755)	(772,886)		(2,321,560)
		2,084,424		2,625,936	38,664,838	•	61,023,048
Total assets	\$	10 401 220	•	0.400.400	 	_	
i Otal assets	<u> </u>	10,481,332	\$	8,160,469	\$ 69,858,664	\$	81,612,333
Sub debt		8,160,604		10,363,000	4,054,000		45,000
Revolver		•		-	-		
Line of Credit - Nortel		-		2,000,000	25,892,912		-
Senior debt		•		•	-		40,000,000
Line cost payable		1,582,656		1,625,451	432,064		320,795
Accruals		1,905,308		521,459	444,262		1,257,401
Income tax payable		-		-			· · · · · ·
Total liabilities		11,648,568		14,509,910	30,823,237		41,623,195
				18,279,546	70,279,546		
Common Stock		18,279,546					80,279,546
Retained earnings		18,279,546 (19,446,782)		(24,628,987)	(31,244,119)		
					 (31,244,119) 39,035,427		80,279,546 (40,290,409) 39,989,137

TriVergent Communications, Inc. Consolidated Balance Sheet

	 1st Quarter 2000	2nd Quarter 2000	3rd Quarter 2000	4th Quarter 2000
Assets				•
Cash	\$ 33,017,209	\$ 15,438,043	\$ 12,270,432	\$ 18,512,850
Accounts receivable, net - Local	1,055,142	1,661,846	2,545,756	3,495,700
Accounts receivable, net - LD	297,384	466,843	521,855	568,630
Inventory	528,000	864,000	1,440,000	1,848,000
Other Assets	4,989,201	4,883,733	4,778,265	4,672,797
Fixed assets	100,726,910	107,759,352	109,118,657	109,791,598
Accumulated depreciation	(5,811,981)	(9,731,561)	(13,768,368)	(17,836,824)
	 94,914,930	98,027,791	95,350,289	91,954,774
Total assets	\$ 134,801,865	\$ 121,342,256	\$ 116,906,598	\$ 121,052,752
Liabilities & stockholders equity				
Sub debt	25,000,000	25,000,000	25,000,000	25,000,000
Revolver	•	-	8,000,000	23,000,000
Line of Credit - Nortel	•	-	-	•
Senior debt	80,000,000	80,000,000	80,000,000	80,000,000
Line cost payable	276,628	269,614	301,007	335,929
Accruals	2,657,238	3,472,319	3,931,521	4,568,004
Income tax payable	-		•	
Total liabilities	107,933,866	108,741,934	117,232,528	132,903,933
Common Stock	80,279,546	80,279,546	80,279,546	80,279,546
Retained earnings	 (53,411,547)	(67,679,224)	(80,605,476)	(92,130,727)
Total capital	 26,867,999	12,600,322	(325,930)	(11,851,181)
Total liabilities & capital	\$ 134,801,865	\$ 121,342,256	\$ 116,906,598	\$ 121,052,752

TriVergent Communications, Inc. Consolidated Balance Sheet

		1st Quarter 2001	2n	d Quarter 2001		3rd Quarter 2001		4th Quarter 2001
Assets								2001
Cash	\$	12,790,212	\$	7,099,969	\$	2,361,064	s	834.404
Accounts receivable, net - Local		4,651,579	•	5,914,155	*	7,182,524	Ψ	8,406,918
Accounts receivable, net - LD		656,302		681,759		684.925		698.821
Inventory		2,136,000		2,376,000		2,904,000		3.048.000
Other Assets		4,567,329		4,461,861		4,356,393		, . ,
Fixed assets		115,507,200		116,254,406		117,911,185		4,250,925
Accumulated depreciation		(22,110,302)		(26,410,330)		(30,757,454)		118,570,328
·		93,396,898		89,844,076		87,153,731		(35,140,082) 83,430,246
								,,
Total assets	\$	118,198,321	\$	110,377,820	\$	104,642,637	\$	100,669,313
Liabilities & stockholders equity								
Sub debt		25,000,000		25,000,000		25,000,000		25,000,000
Revolver		30,000,000		30,000,000		30,000,000		30,000,000
Line of Credit - Nortel		•		-		-		-
Senior debt		80,000,000		80,000,000		80,000,000		80,000,000
Line cost payable		353,371		380,614		416,000		454,863
Accruals		5,326,714		5,978,733		6,605,643		7,222,118
Income tax payable		•				-		7,522,110
Total liabilities	*	140,680,085		141,359,347		142,021,643		142,676,981
Common Stock		80,279,546		80,279,546		80,279,546		80,279,546
Retained earnings		(102,761,310)		(111,261,073)		(117,658,552)		(122,287,213)
Total capital		(22,481,764)		(30,981,527)		(37,379,006)		(42,007,667)
Total liabilities & capital	\$	118,198,321		110,377,820	s	104,642,637	•	100,669,313

TriVergent Communications, Inc. Consolidated Balance Sheet

	1st Quarter 2002	2nd Quarter 2002	3rd Quarter 2002	4th Quarter 2002
Assets				
Cash	1,589,778	3,647,750	6,857,724	11,219,701
Accounts receivable, net - Local	8,815,919	9,633,921	10,860,924	12,496,927
Accounts receivable, net - LD	666,797	602,749	506,677	378,581
Inventory	3,201,600	3,508,800	3,969,600	4,584,000
Other Assets	4,208,738	4,124,363	3,997,802	3,829,053
Fixed assets	119,410,514	121,090,886	123,611,445	126,972,190
Accumulated depreciation	(39,595,888)	(44,100,870)	(48,655,030)	(53,258,367)
	79,814,626	76,990,016	74,956,415	73,713,823
Total assets	\$ 98,297,458	\$ 98,507,599	\$ 101,149,141 \$	106,222,085
Liabilities & stockholders equity				
Sub debt				
Revolver	25,000,000 30,000,000	25,000,000 30,000,000	25,000,000	25,000,000
Line of Credit - Nortel	30,000,000	30,000,000	30,000,000	30,000,000
Senior debt	80,000,000	80,000,000	80,000,000	80,000,000
Line cost payable	453.217	449,925	444.987	438,403
Accruais	7,765,168	8,851,269	10,480,419	12,652,620
Income tax payable	-,,,,,,,,,	-	10,100,110	12,002,020
Total liabilities	143,218,385	144,301,194	145,925,407	148,091,024
Common Stock	80,279,546	80,279,546	80,279,546	80,279,546
Retained earnings	(125,049,878)	(125,922,545)	(124,905,216)	(121,997,889)
Total capital	(44,770,332)	(45,642,999)	(44,625,670)	(41,718,343)
Total liabilities & capital	\$ 98,448,053	98,658,194	101,299,737 \$	106,372,681
	150,595	150,595	150,595	150,595

TriVergent Communications, Inc. Consolidated Balance Sheet

	 1st Quarter 2003	2nd Quarter 2003		3rd Quarter 2003	4th Quarter 2003
Assets					
Cash	17,784,513	23,403,47	6	28,076,586	31,803,847
Accounts receivable, net - Local	12,967,598	13,908,94	0	15,320,954	17,203,638
Accounts receivable, net - LD	378,697	378,92	8	379,275	379,738
Inventory	4,776,000	5,160,00	0	5,736,000	6,504,000
Other Assets	3,786,866	3,702,49	1	3,575,930	3,407,181
Fixed assets	128,253,307	130,815,54	1	134,658,892	139,783,360
Accumulated depreciation	 (57,970,214)	(62,790,57	1)	(67,719,439)	(72,756,818)
	 70,283,093	68,024,97	0	66,939,453	67,026,542
Total assets	\$ 109,976,767	\$ 114,578,80	5 \$	120,028,198 \$	126,324,946
Liabilities & stockholders equity					
Sub debt	25,000,000	25,000,00	0	25,000,000	25,000,000
Revolver	29,700,000	29,100,00		28,200,000	27,000,000
Line of Credit - Nortel	-			· · · ·	
Senior debt	79,200,000	77,600,00	0	75,200,000	72,000,000
Line cost payable	416,300	372,09	4	305,784	217,371
Accruals	13,175,291	14,220,63	2	15,788,644	17,879,326
Income tax payable	 	•		-	
Total liabilities	147,491,591	146,292,72	6	144,494,428	142,096,697
Common Stock	80,279,546	80,279,54	6	80,279,546	80,279,546
Retained earnings	 (117,643,775)	(111,842,87	2)	(104,595,181)	(95,900,701)
Total capital	(37,364,229)	(31,563,320	6)	(24,315,635)	(15,621,155)
Total liabilities & capital	 110,127,363	\$ 114,729,40	D \$	120,178,793 \$	126,475,542
	150,595	150,599	5	150,595	150,595

Nashville Office	Jan-00	Feb-00	Mar-00	Apr-00	May-00	Jun-00	Jul-00) Aug-00) Sep-00	Oct-00
Revenue: Local revenue				·	•	3233	00.00	, hug oc	оср-00	001-00
Rental Revenue	-	-		-	-	-	-	-	-	44,509
Installation	-	-	•	-	•	-		-		20,850
LD revenue Credits	-		-	-	-	-	-	-	-	(05.4)
Total Revenue	-	-	-	-		.				(654) 64,705
Local Line Cost	_		_	_		50.005	20.050			
Rent expense			-		-	50,225 19,675	92,952 19,675	118,774 19,675	123,970 19,675	135,342 19,675
LD Line Costs Total Line Costs		•	-	-	•	-		-	-	1,884
Total Line Costs	•	-	-	•	-	69,900	112,627	138,449	143,645	156,901
Gross Margin %	-		-	•	-	(69,900)	(112,627)	(138,449)	(143,645)	(92,195)
76	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	-142.5%
Sales & Marketing Expenses:										
Salaries	-	_	-	_		_	16,833	30,167	30,167	20.167
Marketing Piece							10,000	30,107	30,167	30,167
Benefits, Group ins., payroll taxes Commissions	-	-	-	•	-	•	3,703	6,637	6,637	6,637
Bonuses	-	-	-	-		-	842	1,508	1,508	2,628 1,508
Training/Recruiting/setup Check Printing	-	•	•	-	•	-	•	-	-	-
Mail Stuffing										
Marketing Piece Postage Market Research - CMS										
Public Relations										
Customer Incentive Advertising / Media										
Travel & Ent		-	-	-	-	-	50,000 6,000	50,000 7,000	18,000 7,000	18,000 7,000
Third Party verification Mailing Lists							0,000	7,000	7,000	7,000
Total Sales & Marketing Expenses	•						77,378	95,312	63,312	65,939
Operating Evenesses							77,070	33,512	00,012	05,555
Operating Expenses: Bell Swith Fee	-	_	_				_			
Operations Salaries							-	-	-	•
Benefits, Group ins., payroll taxes Bonuses										
Telephone - Data Gathering										
Provisioning Bill Processing and Printing		-	•	-	-	-	-	-	24,800	36,800
Biling Postage	-	•	-		-	-	-	-	62 62	152 152
Outsourcing CSR Credit & Collections					_					
Total Operating Expenses						<u> </u>	-			-
			_	•	-	•	-	•	24,924	37,105
General & Administrative Expenses: G&A Salaries										
Bad debt expense	-	-	-	-	-	_	-		-	1,294
Benefits, Group ins. Bonuses										1,20
Telephone	-	•				-	-		_	
Insurance Lock box fees										
Bank fees										
Travel & Entertainment Rent										
Postage	-					•	-	-	-	=
Dues & Subscriptions										
Consultants (MIS / HR / TAX) Parking Fees										
Security										
Association / Trade Show Fees Legal & Audit										
Supplies	-					-	-	-	-	-
Repairs & Maintenance Lease exp Furniture										
Lease exp Computer										
Lease exp Telephone equip Depreciation										
Taxes & Licenses										
Miscellaneous Total General & Administrative Expenses		-			·····		-	-	-	1001
2.45.1000				-	-	-	-	-	•	1,294
Total SG&A	-	_	_	_	-	_	77,378	95,312	88,236	104,338
%	#DIV/0!	#DIV/0!	#DIV/01	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	161%
Interest Expense	-	-	-	-	_	-	_	_	_	-
Income before taxes Tax provision	-	-	•	•	-	(69,900)	(190,006)	(233,761)	(231,881)	(196,534)
Net income (loss)	-	-				(69,900)	(190,006)	(233,761)	(231,881)	(196,534)
Capital expenses		154 500	nc occ					,,		
ouphur oxperises	-	154,500	36,000	-	-	13,620,987	48,000	-	62,338	21,754
										10/12/99

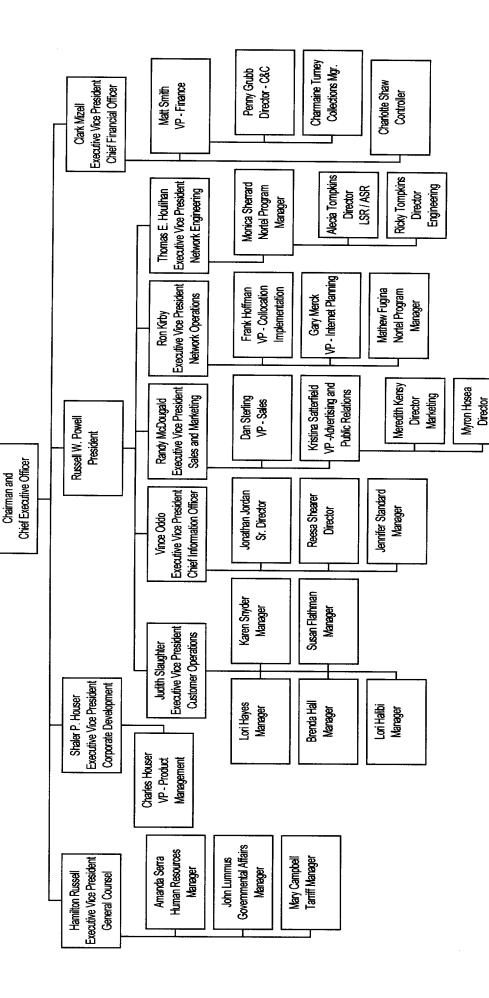
Nashville Office											
	Nov-00	Dec-00	Total	Jan-01	Feb-01	Mar-01	Apr-01	May-01	Jun-01	Jul-01	Aug 01
Revenue:				ouor	10001	mar or	Apr-01	Way-01	Juli-Oi	Jul-01	Aug-01
Local revenue	110,574	174,987	330,069	237,790	306,579	373,648	439,040	508,258	575,745	641,546	705,701
Rental Revenue Installation	-	-	-	-	-	-	·	<u>.</u>	-	-	-
LD revenue	32,100	32,100	85,050	32,100	35,850	35,850	35,850	38,250	38,250	38,250	38,250
Credits	(1,427)	(2,071)	(4,151)	(2,699)	(3,424)	(4,095)	(4,749)	- (5,465)	(6,140)	- (6,798)	(7,440)
Total Revenue	141,247	205,016	410,968	267,191	339,004	405,403	470,141	541,043	607,855	672,998	736,511
Leave to the second						,		,	,	0.2,000	700,011
Local Line Cost Rent expense	138,381	155,555	815,201	170,606	183,667	196,402	208,818	221,937	231,951	251,141	270,518
LD Line Costs	19,675 4,949	19,675 7,937	137,725 14,770	19,675	19,675	19,675	19,675	19,675	19,675	19,675	19,675
Total Line Costs	163,005	183,168	967,695	10,851 201,132	14,101 217,444	17,271 233,347	20,361 248,853	23,537 265,149	26,634 278,260	29,654 300,470	32,598 322,791
		,	,		,	200,011	210,000	200,140	2,0,200	300,470	322,791
Gross Margin	(21,758)	21,848	(556,728)	66,058	121,560	172,055	221,288	275,894	329,596	372,527	413,720
%	-15.4%	10.7%	-135.5%	24.7%	35.9%	42.4%	47.1%	51.0%	54.2%	55.4%	56.2%
Sales & Marketing Expenses:											
3.											
Salaries	30,167	30,167	167,667	32,667	32,667	32,667	32,667	32,667	32,667	32,667	32,667
Marketing Piece	0.007		-								
Benefits, Group ins., payroll taxes Commissions	6,637 6,694	6,637 10,352	36,887	7,187	7,187	7,187	7,187	7,187	7,187	7,187	7,187
Bonuses	1,508	1,508	19,674 8,383	13,909 1,633	18,232 ⁻ 1,633	22,657 1,633	26,946 1,633	31,127 1,633	35,260 1,633	39,359	43,295
Training/Recruiting/setup	-	-	0,000	-	- 1,000	-	1,000	1,000	1,033	1,633	1,633
Check Printing			-								
Mail Stuffing			•								
Marketing Piece Postage Market Research - CMS			-								
Public Relations			-							1	
Customer Incentive			-								
Advertising / Media	18,000	18,000	172,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Travel & Ent	7,000	7,000	41,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Third Party verification			-				,	.,	-,	-,	3,000
Mailing Lists Total Sales & Marketing Expenses	70.000	70.004		04.000	0= =:-						
Total Sales & Marketing Expenses	70,006	73,664	445,611	81,396	85,719	90,144	94,433	98,614	102,747	106,845	110,781
Operating Expenses:											
Bell Swith Fee	-	-	-	-	-				-		-
Operations Salaries			-								
Benefits, Group ins., payroll taxes			•								
Bonuses Telephone - Data Gathering			-								
Provisioning	36,800	36,800	135,200	40,800	40,800	40,800	44,000	44,000	44.000	44.000	44.000
Bill Processing and Printing	241	327	782	420	512	601	696	789	44,000 879	44,000 967	44,000 1,053
Biling Postage	241	327	782	420	512	601	696	789	879	967	1,053
Outsourcing CSR			-								.,500
Credit & Collections	-		-	•	•	•	•		•		
Total Operating Expenses	37,281	37,453	136,763	41,641	41,824	42,002	45,392	45,577	45,758	45,934	46,106
	•	- ,	,	,	.,,,,,	12,002	10,002	40,077	40,700	45,554	40,100
General & Administrative Expenses:											
G&A Salaries Bad debt expense	2.825	4.100	-								
Benefits, Group ins.	2,020	4,100	8,219	5,344	6,780	8,108	9,403	10,821	12,157	13,460	14,730
Bonuses			-								
Telephone	-		-		-	-	-	-	_		_
Insurance			-								
Lock box fees Bank fees			-								
Travel & Entertainment			-								
Rent	-		-		-	-	-	-	-	•	-
Postage			-				_	-	•	•	-
Dues & Subscriptions			-								
			_								
Consultants (MIS / HR / TAX)											
Parking Fees			-								
Parking Fees Security			-								
Parking Fees			:								
Parking Fees Security Association / Trade Show Fees		-	-	-	-		-	_	_	_	
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance		-		-	-			-	-	-	
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture		-		-	-		-		-	-	
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer	-	-	- - - - - -	-	-	-	-	-	-	-	·
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip	-		-		-		-	-	-		
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses	-		-	-	·	·	·		-	-	-
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous	-		- - - - - - - - - -	<u>.</u>	-		-	-	-	·	
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses	- - 2,825	4,100	- - - - - - - - - - - - - - - - - - -	5,344	- 6,780	- 8,108	- 9,403	- 10,821	12,157	- 13,460	- 14,730
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous	- - 2,825	- 4,100	- - - - - - - - - 8,219	5,344	- 6,780	- 8,108	- - 9,403	- 10,821	12,157	- 13,460	14,730
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses		- 4,100 115,217	- - - - - - - - - 8,219	5,344	- 6,780	- 8,108 140,254	- 9,403	- 10,821 155,012	12,157	·	
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses						·				13,460 166,239 25%	- 14,730 171,617 23%
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses	110,112	115,217	590,594	128,380	134,323	140,254	149,228	155,012	160,662	166,239	171,617
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses Total SG&A %	110,112	115,217	590,594	128,380	134,323	140,254	149,228	155,012	160,662	166,239	171,617 23%
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses Total SG&A %	110,112	115,217	590,594	128,380 48% -	134,323 40% -	140,254 35%	149,228 32% -	155,012 29% -	160,662 26%	166,239 25% -	171,617 23% -
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses Total SG&A % Interest Expense	110,112 78% - (131,870)	115,217 56% - (93,369)	590,594 144% - (1,147,321)	128,380 48% - (62,322)	134,323 40% - (12,763)	140,254 35% - 31,802	149,228 32% - 72,060	155,012 29% - 120,882	160,662 26% - 168,934	166,239 25% - 206,288	171,617 23% - 242,103
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses Total SG&A % Interest Expense	110,112 78% -	115,217 56% -	590,594 144% -	128,380 48% -	134,323 40% -	140,254 35%	149,228 32% -	155,012 29% -	160,662 26%	166,239 25% -	171,617 23% -
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Computer Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses Total SG&A % Interest Expense	110,112 78% - (131,870)	115,217 56% - (93,369)	590,594 144% - (1,147,321)	128,380 48% - (62,322)	134,323 40% - (12,763)	140,254 35% - 31,802	149,228 32% - 72,060	155,012 29% - 120,882	160,662 26% - 168,934	166,239 25% - 206,288 206,288	171,617 23% - 242,103
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses Total SG&A % Interest Expense Income before taxes Tax provision Net Income (loss)	110,112 78% - (131,870) (131,870)	115,217 56% - (93,369) (93,369)	590,594 144% - (1,147,321) (1,147,321)	128,380 48% - (62,322)	134,323 40% - (12,763)	140,254 35% - 31,802	149,228 32% - 72,060	155,012 29% - 120,882	160,662 26% - 168,934	166,239 25% - 206,288 206,288 73,956	171,617 23% - 242,103
Parking Fees Security Association / Trade Show Fees Legal & Audit Supplies Repairs & Maintenance Lease exp Furniture Lease exp Telephone equip Depreciation Taxes & Licenses Miscellaneous Total General & Administrative Expenses Total SG&A % Interest Expense Income before taxes Tax provision Net Income (loss)	110,112 78% - (131,870) (131,870)	115,217 56% - (93,369) (93,369)	590,594 144% - (1,147,321) (1,147,321)	128,380 48% - (62,322)	134,323 40% - (12,763)	140,254 35% - 31,802	149,228 32% - 72,060	155,012 29% - 120,882	160,662 26% - 168,934	166,239 25% - 206,288 206,288	171,617 23% - 242,103

Nashville Office	Sep-01	Oct-01	Nov-01	Dec-01	Total	2002	2003	
Revenue: Local revenue	768,252	829,239	888,702	946,678	7,221,178	16,975,069	25,400,548	
Rental Revenue Installation	-	•	•	•	•	· · · · -	-	
LD revenue	38,250 -	38,250 -	38,250 -	38,250 -	445,650 -	264,000 -	288,000	
Credits Total Revenue	(8,065) 798,437	(8,675) 858,814	(9,270) 917,683	(9,849) 975,079	(76,668) 7,590,159	(172,391) 17,066,678	(256,885) 25,431,663	_
Local Line Cost	288,761	306,549	323,891	341,374	2,995,615	6,141,232	8,578,460	
Rent expense LD Line Costs	19,675 35,468	19,675 38,267	19,675 40,996	19,675 43,657	236,100 333,395	236,100 786,254	236,100 1,185,418	
Total Line Costs	343,905	364,491	384,562	404,706	3,565,111	7,163,587	9,999,978	-
Gross Margin	454,532	494,324	533,121	570,373	4,025,049	9,903,091	15,431,685	
%	56.9%	57.6%	58.1%	58.5%	53.0%	58.0%	60.7%	
Sales & Marketing Expenses:								
Salaries Marketing Piece	32,667	32,667	32,667	32,667	392,000	452,000	482,000	
Benefits, Group ins., payroll taxes	7,187	7,187	7,187	7,187	86,240	99,440	106,040	
Commissions Bonuses	46,933 1,633	50,659 1,633	54,292 1,633	57,833 1,633	440,501 19,600	1,036,856 22,600	1,547,124 24,100	
Training/Recruiting/setup	-	-	1,000	1,000	19,000	22,000	24,100	
Check Printing Mail Stuffing					•			
Marketing Piece Postage					-			
Market Research - CMS					-			
Public Relations Customer Incentive					-			
Advertising / Media	18,000	18,000	18,000	18,000	216,000	220,000	220,000	
Travel & Ent Third Party verification	8,000	8,000	8,000	8,000	96,000	108,000	120,000	
Mailing Lists					-			
Total Sales & Marketing Expenses	114,420	118,146	121,778	125,320	1,250,341	1,938,896	2,499,264	
Operating Expenses:								
Bell Swith Fee Operations Salaries	•	-	•	-		•	-	
Benefits, Group ins., payroll taxes					-			
Bonuses Telephone - Data Gathering					-			
Provisioning	44,000	44,000	44,000	44,000	518,400	576,000	624,000	
Bill Processing and Printing Biling Postage	1,137 1,137	1,218 1,218	1,298 1,298	1,375 1,375	10,945 10,945	28,832 28,832	38,902 38,902	
Outsourcing CSR	.,	1,210	,,200	1,010	-	20,002	00,302	
Credit & Collections	-	-	-	-	-	-	-	
Total Operating Expenses	46,273	46,436	46,595	46,750	540,290	633,664	701,805	
General & Administrative Expenses: G&A Salaries					-			
Bad debt expense	15,969	17,176	18,354	19,502	151,803	341,334	508,633	
Benefits, Group ins. Bonuses					-			
Telephone	-	-	-	-	-	-	-	
Insurance Lock box fees					-			
Bank fees					-			
Travel & Entertainment Rent	-	•	-	-	•			
Postage					•		-	
Dues & Subscriptions Consultants (MIS / HR / TAX)					•			
Parking Fees					•			
Security Association / Trade Show Fees					-			
Legal & Audit					-			
Supplies Repairs & Maintenance	-	•	-	-	-	-	•	
Lease exp Furniture					-			
Lease exp Computer Lease exp Telephone equip					•			
Depreciation					•			
Taxes & Licenses Miscellaneous					•	•	_	
Total General & Administrative Expenses	15,969	17,176	18,354	19,502	151,803	341,334	508,633	
Total SG&A %	176,662 22%	181,758 21%	186,727 20%	191,572 20%	1,942,434 26%	2,913,893 17%	3,709,702 15%	
		21/4	2070	2076	2079	17.76	1376	
Interest Expense	-	-	-	-	-	-	•	
Income before taxes	277,870	312,565	346,393	378,801	2,082,615	6,989,198	11,721,983	
Tax provision								
Net income (loss)	277,870	312,565	346,393	378,801	2,082,615	6,989,198	11,721,983	19,646,475
Capital expenses	73,956	25,956	73,956	25,956	594,281	733,136	850,800	16,426,532



Organizational Chart

Charles S. Houser



Public Relations

TRIVERGENT COMMUNICATIONS, INC.

SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. Section 65-5-212, as amended, TriVergent Communications, Inc. ("TriVergent") submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate interexchange and local exchange services in Tennessee.

I. PURPOSE

The purpose of Section 65-5-212 is to provide opportunities for small and minority owned businesses to provide goods and services to Telecommunications service providers. TriVergent is committed to the goals of Section 65-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. TriVergent will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontractors for goods and services. As part of its procurement process, TriVergent will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to TriVergent of such opportunities. TriVergent's representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program. To obtain a list of qualified vendors. TriVergent will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II DEFINITIONS

As defined in Section 65-5-212:

Minority-Owned Business. Minority-Owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

III ADMINISTRATION

TriVergent's Plan will be overseen and administered by the individual listed below. He will be responsible for carrying out and promoting TriVergent's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

> Hamilton E. Russell, III VP of Regulatory Affairs TriVergent Communications, Inc. 200 North Street, Suite 303 Greenville SC 29606 Tel: (864) 271-6335

Fax: (864) 271-7810

The Administrator's responsibilities will include:

- 1) Maintaining an updated plan pursuant to Section 65-5-212.
- 2) Creating and implementing policies and procedures for successful implementation of the Plan
- 3) Filing Annual Updates to the Plan
- 4) Serve as the primary liaison to and cooperate with the agencies of the State of Tennessee and the small and minority owned businesses qualified in the State of Tennessee.
- 5) Encourage such businesses to participate in and bid on contracts and subcontracts.
- 6) Maintain records to track qualified small and minority owned businesses and efforts to use such businesses.
- 7) Provide information to person within TriVergent to seek out and promote the use of small and minority-owned businesses.

Administrator will utilize a number of resources as referral of qualified companies:

Chambers of Commerce

Tennessee Department of Economic and Community Development United States Department of Commerce Small Business Administration Office of Minority Business

National Minority Supplier Development Counsel National Association of Women Business Owners

National Association of Minority Contractors

Historically Black Colleges, Universities and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-

owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical insurance bonding licensing production and deadline requirements.

III RECORDS AND COMPLIANCE REPORTS

TriVergent will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses.

TriVergent will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan.

	TriVergent Communications, Inc.
	By:
Dated:	

INTRALATA TOLL DIALING PARITY PLAN

TriVergent Communications, Inc. IntraLATA Toll Dialing Parity Plan

1. Purpose

The intent of this Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the telecommunications carrier of their choice for routing their intraLATA toll calls.

Toll-free intraLATA county-wide calling was initiated for TriVergent via an order from the Tennessee Regulatory Authority.

2. Implementation Schedule

TriVergent: Will offer dialing parity for intraLATA toll in all of its Tennessee exchanges effective immediately. TriVergent will send out notification to customers informing them of this capability.

3. Carrier Selection Procedures

TriVergent will implement the full 2-PIC (Primary Interexchange Carrier) carrier selection methodology. With the full 2-PIC methodology, customers will be able to presubscribe to one telecommunications carrier for interLATA toll calls and presubscribe to the same or a different participating telecommunications carrier, including their existing local exchange company, for all intraLATA toll calls. Orders for changes will be accepted and processed beginning on the implementation date.

TriVergent employees who communicate with the public, accept customer orders, and serve in customer service capacities will be trained to explain the process to customers for making PIC changes for intraLATA toll calls. Business Office personnel will be prepared to make changes in customer records based upon requests from customers or carriers and direct customers to their chosen intraLATA carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers.

Existing Customers

Currently, Bell South is the intraLATA toll provider for existing customers in TriVergent's local exchange area. On the date in which intraLATA toll presubscription is implemented in North Carolina, customers may presubscribe to any telecommunications carrier offering intraLATA toll service in their exchange. Customers will remain with Bell South until they affirmatively choose an intraLATA toll carrier. Customers may make this selection through their own initiative or as a result of the promotional marketing activities of participating intraLATA toll telecommunications carriers. Customers may communicate their choice of carriers directly to TriVergent, as their local exchange service provider, through the local Business Office or indirectly through their selected carriers.

Customers will be assessed a cost-based PIC change charge per TriVergent's tariff for changing their intraLATA carrier. When customers request a change in their interLATA and intraLATA carriers during one contact with the Business Office and choose the same carrier for both jurisdictions only one charge will be assessed When customers request a change in their

interLATA and intraLATA carriers during one contact with the Business Office and choose different carriers for each jurisdiction, two charges will be assessed.

For a waiver period of 90 days from implementation, customers will not be assessed an intraLATA PIC change charge for their initial intraLATA toll carrier choice. During the 90-day waiver period, a charge of one-half of the interLATA PIC change charge will be assessed when the intraLATA and interLATA carriers are changed to the same carrier during one contact with the Business Office. Only the interLATA charge will be assessed when the intraLATA and interLATA carriers are changed to different carriers during one contact with the Business Office during the waiver period.

A charge will be established for "slamming" or unauthorized PIC changes submitted by carriers or TriVergent for end-user customers. TriVergent will be subject to the rules related to slamming.

New Installation Customers

Customers who contact TriVergent requesting new telephone exchange service are currently being provided a list of telecommunications carriers available to provide interLATA toll service. Upon implementation of intraLATA toll presubscription, the customer will be provided a second list of carriers, including TriVergent, that provide intraLATA toll service in their exchange. The list of intraLATA toll carriers will be presented in a competitively neutral manner. Customers who do not make a positive choice for an intraLATA toll carrier will be identified within TriVergent's system as a "No PIC" and will not be automatically defaulted to a carrier. Customers identified as "No PIC" within TriVergent's systems will be required to dial I 0XXX to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

4. Customer Education/Notification

Customers will receive information explaining their opportunity to select an intraLATA carrier a minimum of 30 days in advance of the offering of intraLATA toll dialing parity via a bill message. In addition, during the 30 days following implementation of intraLATA Dialing Parity, customers will receive a bill insert also explaining their opportunity to select an intraLATA carrier. United anticipates that promotional strategies by carriers will contribute to customer awareness of intraLATA toll dialing parity. Customer telephone directories will be updated as new editions are published to reflect the opportunity for customers to choose an intraLATA toll carrier.

ATTACHMENT F

Managerial Biography

BIOGRAPHICAL SKETCH

CHARLES S. HOUSER, CEO of TriVergent Communications, Inc. has more than fifteen years of telecommunications experience as an entrepreneur, investor, chairman, chief executive officer, chief operating officer, and senior vice president of seven telecommunications companies. Mr. Houser currently serves as Chairman and CEO of State Communications. Mr. Houser was one of the pioneers in the deregulated long distance industry, growing one of the first AT&T competitors, Tel/Man, Inc., through over a dozen acquisitions and eventually into a \$100,000,000 merger with Atlanta, Georgia based SouthernNet, Inc.

EXPERIENCE

After serving as chief executive officer of Tel/Man, and chief operating officer of SouthernNet, Inc., Mr. Houser formed The Consilium Group a currently inactive venture capital group based in Greenville, South Carolina. One of The Consilium Group's earliest investment's was in a telecommunications equipment distributor, Teleco USA ("Teleco"). Through this investment, Mr. Houser became involved in the day to day operations of Teleco and, in 1988, accepted the position of chief executive officer, alongside William Rogers, President of Teleco. At that time, Teleco, was distributing equipment for Toshiba, Inc. through a network of authorized agents. By 1995, Teleco had grown into one of the nation's largest interconnect telephone companies and Toshiba's largest distributor in North America.

In late 1989, Mr. Houser left day to day operations of Teleco to join Leighton Cubbage to establish their second long distance telephone company, Corporate Telemanagement Group, Inc. ("CTG"), where Mr. Houser served as chairman and chief executive officer. Over the next six years, CTG enjoyed a strategic alliance with Teleco USA which helped CTG grow to over \$100 million in annualized revenues.

In September 1995, CTG was sold to LCI International Inc. (now Qwest).

RECOGNITION

Mr. Houser has been chairman of the Telecommunications Resellers Association ('TRA"), which is the largest telecommunications association in the United States. Mr. Houser has also served as president of the South Carolina Long Distance Association and as an executive committee and board member of CompTel (National Association of Long Distance Carriers). Mr. Houser serves on the boards of State Communications, Inc. (a CLEC) and VIP Calling, Inc. (an international carrier), both Seruus Telecom Fund, L.P. portfolio companies. Mr. Houser is Chairman of Seruus Ventures, LLC and a member of Seruus Capital Partners, LLC, the general partner of Seruus Telecom Fund, L.P. In addition, Mr. Houser is a director of Teleco, Inc., (a telecom services and interconnect company), Summit Financial Corporation (a bank holding company), Gulf Coast Communications, Inc. (a telecommunications holding company), and The Delta Group, Inc. (a healthcare related software company). He has previously served on the board of

directors of LDDS Communications, Inc. (now WorldCom), Tel/Man, Inc., SouthernNet, Inc. Advantage Companies, and CTG, all long distance telecommunications companies. Mr. Houser was co-recipient of the South Carolina Entrepreneur of the Year award by Inc. Magazine and Ernst and Young, LLP.

EDUCATION:

Mr. Houser holds a B.S. in Business from Southern Mississippi University.

TITLE SHEET

TELECOMMUNICATIONS SERVICES

This tariff applies to the Resale Interexchange Telecommunications Services furnished by TriVergent Communications, Inc. ("Carrier" or "SCI") between one or more points in the State of Tennessee. This tariff is on file with the Tennessee Regulatory Authority, and copies may be inspected, during normal business hours, at Carrier's principal place of business, 200 North Main Street, Suite 303, Greenville, South Carolina 29601 (864) 271-6335.

Issued:

Effective:

Issued by:

Shaler Houser, CEO

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

SHEET	<u>REVISION</u>	SHEET	REVISION
1	Original	25	Original
2	Original	26	Original
3	Original	27	Original
4	Original	28	Original
5	Original	29	Original
6	Original	30	Original
7	Original	31	Original
8	Original	32	Original
9	Original		, 0
10	Original		
11	Original		
12	Original		
13	Original		
14	Original		
15	Original		
16	Original		
17	Original		
18	Original		
19	Original		•
20	Original		
21	Original		
22	Original		
23	Original		
24	Original		

^{*}New or revised page.

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TABLE OF CONTENTS

Title Sheet
Check Sheet
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Symbols
Tariff Format
Section 1 - Technical Terms and Abbreviations
Section 2 - Rules and Regulations
Section 3 - Description of Services
Section 4 - Rates

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SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D Delete or Discontinue
- I Change Resulting In An Increase to A Customer's Bill
- M Moved From Another Tariff Location
- N New
- R Change Resulting In A Reduction to A Customer's Bill
- T Change In Text or Regulation But No Change In Rate or Charge

TARIFF FORMAT

- A. <u>Sheet Numbering</u> Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in their tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect.

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TARIFF FORMAT (Cont'd)

C. <u>Paragraph Numbering Sequence</u> - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2. 2.1. 2.1.1. 2.1.1.A. 2.1.1.A.1. 2.1.1.A.1.(a). 2.1.1.A.1.(a).I.(i). 2.1.1.A.1.(a).I.(i).

D. <u>Check Sheets</u> - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on the check sheet if these are the only changes made to it (*i.e.*, the format, etc. remains the same, just revised revision levels on some pages). The tariff User should refer to the latest check sheet to find out if a particular sheet is the most current on file with the Commission.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS

<u>Access Line</u> - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Subscriber's location to Carrier's location or switching center.

<u>Authorization Code</u> - A numerical code, one or more of which may be assigned to a Subscriber, to enable Carrier to identify the origin of service User so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Subscriber shall have any proprietary or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

<u>Automatic Numbering Identification (ANI)</u> - A type of signaling provided by a local exchange telephone company which automatically identifies the local exchange line from which a call originates.

<u>Carrier or SCI</u> - Refers to TriVergent Communications, Inc.

<u>Commission</u> - Refers to the Tennessee Regulatory Authority.

<u>Common Carrier</u> - A company or entity providing telecommunications services to the public.

Holiday - New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

<u>Local Access and Transport Area</u> (<u>LATA</u>) - The term "Local Access Transport Area" denotes a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communications services.

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SECTION 1. TECHNICAL TERMS AND ABBREVIATIONS (Contd.)

<u>Measured Charge</u> - A charge assessed on a per minute basis in calculating a portion of the charges due for a completed interexchange call.

<u>Subscriber/Customer</u> - The person or legal entity which enters into arrangements for Carrier's telecommunications services and is responsible for payment of Carrier's charges.

<u>Telecommunications</u> - The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or other similar communications.

<u>Travel Card</u> - A credit or debit calling card issued by Carrier which allows Subscribers and/or Users to make telephone calls and charge the calls to a credit (or debit) account. Calls charged to a Carrier-issued credit travel card will appear on the Subscriber's regular monthly bill. Calls charged to a Carrier-issued debit travel card will be charged against the debit account.

<u>User</u> - The person(s) utilizing Carrier's services.

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SECTION 2. RULES AND REGULATIONS

2.1 Application of Tariff

- 2.1.1 This tariff contains the regulations and rates applicable to intrastate resale telecommunications services provided by Carrier for telecommunications between points within the State. Carrier's services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by Carrier and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carrier for use in accessing the services of Carrier.
- 2.1.3 The Subscriber is entitled to limit the use of Carrier's services by Users at the Subscriber's facilities, and may use other common carriers in addition to or in lieu of Carrier.

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2.2 Use of Services

- 2.2.1 Carrier's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of Carrier's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.
- 2.2.3 The use of Carrier's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 Carrier's services are available for use twenty-four (24) hours per day, seven (7) days per week.
- 2.2.5 Carrier does not transmit messages pursuant to this tariff, but its services may be used for that purpose.
- 2.2.6 Carrier's services may be denied for nonpayment of charges or for other violations of this tariff.

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2.3 <u>Liability of Carrier</u>

- 2.3.1 Except as otherwise stated in this section, the liability of Carrier for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services, or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5.
- 2.3.2 Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.5, Carrier shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.
- 2.3.3 The liability of Carrier for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.

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2.3 <u>Liability of Carrier</u> (Cont'd)

- 2.3.4 Carrier shall not be liable for any claims for loss or damages involving:
 - A. Any act or omission of: (1) the Customer, (2) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by Carrier; or (3) common carriers or warehousemen;
 - B. Any delay or failure of performance or equipment due to causes beyond Carrier's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, work stoppages or other labor difficulties; criminal actions taken against Carrier; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
 - C. Any unlawful or unauthorized use of Carrier's facilities and services;

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2.3 <u>Liability of Carrier</u> (Cont'd)

- 2.3.4 D. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Carrier-provided facilities or services; or by means of the combination of Carrier-provided facilities or services with Customer-provided facilities or services;
 - E. Breach in the privacy or security of communications transmitted over Carrier's facilities;
 - F. Changes in any of the facilities, operations or procedures of Carrier that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance.
 - G. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof;

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2.3 <u>Liability of Carrier</u> (Cont'd)

- 2.3.4 H. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to Carrier's facilities;
 - I. any intentional, wrongful act of a Carrier employee when such act is not within the scope of the employee's responsibilities for Carrier and/or is not authorized by Carrier;
 - J. Any representations made by Carrier employees that do not comport, or that are inconsistent, with the provisions of this Tariff;
 - K. Any act or omission in connection with the provision of 911, E911, or similar services;
 - L. Any non-completion of calls due to network busy conditions;
 - M. Any calls not actually attempted to be completed during any period that service is unavailable.

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2.3 <u>Liability of Carrier</u> (Contd.)

- 2.3.5 Carrier shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, losses, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Carrier or Customer equipment or facilities or service provided by Carrier.
- 2.3.6 Carrier does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. Carrier shall be indemnified, defended and held harmless by the Customer from and against any and all claims, losses, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.

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- 2.3 <u>Liability of Carrier</u> (Contd.)
 - 2.3.7 Carrier assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if Carrier has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or non-pre-emptability as may be provided by the other entities.
 - 2.3.8 Any claim of whatever nature against Carrier shall be deemed conclusively to have been waived unless presented in writing within thirty (30) days after the date of the occurrence that gave rise to the claim.
 - 2.3.9 CARRIER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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2.4 Responsibilities of the Subscriber

- 2.4.1 The Subscriber is responsible for placing any necessary orders; for complying with tariff regulations; for the placement of any stickers or tent cards provided by Carrier or as required by law; and for assuring that Users comply with tariff regulations. The Subscriber shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Subscriber to Users. The Subscriber is also responsible for the payment of charges for calls originated at the Subscriber's numbers which are not collect, third party, calling card, or credit card calls.
- 2.4.2 The Subscriber is responsible for charges incurred for special construction and/or special facilities which the Subscriber requests and which are ordered by Carrier on the Subscriber's behalf.
- 2.4.3 If required for the provision of Carrier's services, the Subscriber must provide any equipment space, supporting structure, conduit and electrical power without charge to Carrier.
- 2.4.4 The Subscriber is responsible for arranging access to its premises at times mutually agreeable to Carrier and the Subscriber when required for Carrier personnel to install, repair, maintain, program, inspect or remove equipment with the provision of Carrier's services.

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2.4 Responsibilities of the Subscriber (Cont'd)

2.4.5 The Subscriber shall ensure that the equipment and/or system is properly interfaced with Carrier facilities or services, that the signals emitted into Carrier's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Subscriber and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Subscribers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Carrier will permit such equipment to be connected with its channels without use of protective interface devices.

If the Subscriber fails to maintain the equipment and/or the system properly, with resulting imminent harm to Carrier equipment, personnel, or the quality of service to other Subscribers, Carrier may, upon written notice, require the use of protective equipment at the Subscriber's expense. If this fails to produce satisfactory quality and safety, Carrier may terminate the Subscriber's service pursuant to Section 2.6 of this Tariff.

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Shaler Houser, CEO

- 2.4 Responsibilities of the Subscriber (Cont'd)
 - 2.4.6 The Subscriber must pay Carrier for replacement or repair of damage to the equipment or facilities of Carrier caused by negligence or willful act of the Subscriber, Users, or others, by improper use of the services, or by use of equipment provided by the Subscriber, Users, or others.
 - 2.4.7 The Subscriber must pay for the loss through theft of any Carrier equipment installed at Subscriber's premises.
 - 2.4.8 The Subscriber is responsible for payment of the charges set forth in this tariff.
 - 2.4.9 The Subscriber is responsible for compliance with the applicable regulations set forth in this tariff.

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2.5 Allowances for Interruptions in Service

2.5.1 General

- A. A credit allowance will be given when service is interrupted, except as specified in Section 2.5.2 following. A service is interrupted when it becomes unusable to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by Carrier under this tariff.
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by Carrier to be impaired.

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2.5 Allowances for Interruptions in Service (Cont'd)

2.5.2 Limitations on Allowances

No credit allowance will be made for any interruption of service:

- A. due to the negligence of, or noncompliance with the provisions of this Tariff by, any person or entity other than Carrier, including but not limited to the Customer or other common carriers connected to the service of Carrier;
- B. due to the failure of power, equipment, systems, or services not provided by Carrier;
- C. due to circumstances or causes beyond the control of Carrier;
- D. during any period in which Carrier is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- E. during any period in which the Customer continues to use the service on an impaired basis;

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2.5 <u>Allowances for Interruptions in Service</u> (Cont'd)

- 2.5.2 Limitations on Allowances (Cont'd)
 - F. during any period when the Customer has released service to Carrier for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
 - G. that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
 - H. that was not reported to Carrier within a reasonable period of time from the date that service was affected.

2.5.3 Application of Credits for Interruptions in Service

Credits for interruptions of service, for which charges are specified on the basis of per minute of use, or on the usage of a fraction of a minute, shall in no event exceed an amount equal to the initial period charge provided for under this tariff.

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2.6 <u>Cancellation or Interruption of Services</u>

- 2.6.1 Without incurring liability, Carrier may discontinue services to a Subscriber or may withhold the provision of ordered or contracted services, subject to the procedures set forth in 2.6.2:
 - A. For nonpayment of any sum due Carrier for more than thirty (30) days after issuance of the bill for the amount due,
 - B. For violation of any of the provisions of this tariff,
 - C. For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over Carrier's services, or
 - D. By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting Carrier from furnishing its services.

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Issued by: Shaler Houser, CEO

- 2.6 <u>Cancellation or Interruption of Services</u> (Cont'd)
 - 2.6.2 Procedures for discontinuance of existing service:
 - A. Carrier may discontinue service without notice for any of the following reasons:
 - 1. If a Subscriber or User causes or permits any signals or voltages to be transmitted over Carrier's network in such a manner as to cause a hazard or to interfere with Carrier's service to others.
 - 2. If a Subscriber or User uses Carrier's services in a manner to violate the law.
 - B. In all other circumstances, Carrier will provide the Subscriber with written notice stating the reason for discontinuance, and will allow the Subscriber not less than ten (10) days to remove the cause for discontinuance. In cases of non-payment of charges due, the Subscriber will be allowed at least five (5) days, excluding Sundays and holidays, to make full payment of all undisputed charges, and in no event will service be discontinued on the day preceding any day on which Carrier is not prepared to accept payment of the amount due and to reconnect service.

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- 2.6 <u>Cancellation or Interruption of Services</u> (Cont'd)
 - 2.6.3 Without incurring liability, Carrier may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Subscriber and Carrier's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.
 - 2.6.4 Service may be discontinued by Carrier, without notice to the Subscriber, by blocking traffic to certain countries, cities, or NXX exchanges, or by blocking calls using certain customer authorization codes, when Carrier deems it necessary to take such action to prevent unlawful use of its service. Carrier will restore service as soon as it can be provided without undue risk, and will, upon request by the customer affected, assign a new authorization code to replace the one that has been deactivated.

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SECTION 2. <u>RULES AND REGULATIONS</u> (Contd.)

2.7 <u>Billing Arrangements</u>

- 2.7.1 Subscribers will either be billed directly by Carrier or its intermediary, or charges will be included in the Subscribers' regular telephone bill pursuant to billing and collection agreements established by Carrier or its intermediary with the applicable telephone company.
- 2.7.2 Carrier will render bills monthly. Payment is due within thirty (30) days after Subscribers' receipt of its bill.
- 2.7.3 Carrier may impose a late payment charge not to exceed 1.5% on any arrearage against which it has not previously been assessed and has not been paid within (30) days of the receipt. Subscriber shall be responsible for all costs, including attorney's fees, incurred in the collection of unpaid charge or in any other action to enforce payments and/or obligations arising under this tariff as impressed by a court of law. A charge of \$28.00 may be imposed for returned checks.

2.8 Validation of Credit

Carrier reserves the right to validate the credit worthiness of Subscribers or Users.

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Issued by: Shaler Houser, CEO

SECTION 2. <u>RULES AND REGULATIONS</u> (Contd.)

2.9 <u>Contested Charges</u>

All bills are presumed accurate, and shall be absolutely binding on the User unless objection is received by Carrier within thirty (30) days after such bills are rendered. In the case of a billing dispute between the User and Carrier for service furnished to the User, which cannot be settled with mutual satisfaction, the User can take the following course of action within thirty (30) days of the billing date:

- 2.9.1 First, the User may request, and Carrier will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.)
- 2.9.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of Carrier, the User may file an appropriate complaint with the Commission. The address of the Commission is:

Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37219 (615) 741-2904

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Shaler Houser, CEO

2.10 Billing Entity Conditions

When billing functions on behalf of Carrier are performed by local exchange telephone companies, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charge conditions.

2.11 Deposits

Carrier may require a deposit from the Subscriber.

2.12 Taxes and Surcharges

The rates quotes in this tariff do not include federal excise taxes, and state and local sales, use, and similar taxes. The Customer is responsible for payment of these taxes, which are billed as separate line items. In addition, all services billed to a Customer location in any state that imposes a gross receipts tax or similar tax upon Carrier with respect to such intrastate services will be subject to a surcharge in the amount of such tax.

2.13 Minimum Call Completion Rate

Carrier will ensure an industry standard blocking rate of P.01.

2.14 Promotions

Carrier may from time to time offer promotional services.

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SECTION 3. DESCRIPTION OF SERVICES

3.1 Description of Services

Carrier provides interexchange telecommunications services. Calls are rated based on the duration of the call. In addition, a monthly recurring charge may apply. Unless otherwise indicated, rates are identified in this tariff as per minute rates.

3.2 <u>Calculation of Usage Rates</u>

Billing for calls placed over Carrier's network is based on the duration of the call, without regard to time of day, day of week, or distance called. Timing begins when the called station is answered, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch. A call is terminated when either party (called or calling) hangs up. Any fractional portion of a call is rounded up to the next highest billing increment. A fraction of a cent is rounded up to the next cent. Calls are billed in 60 second initial and 60 second additional billing increments unless otherwise indicated.

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SECTION 3. DESCRIPTION OF SERVICES (Cont'd)

3.3 <u>1+ Long Distance Telecommunications Services</u>

1+ long distance telecommunications services ("1+") consist of flat-rated direct dialed long distance services that allow Customers to place direct dialed calls to terminating locations within the State. Calls are placed by dialing "1" and the destination telephone number, including the area code. Services are available only in equal access areas. Calls are billed in 60 second initial and 60 additional billing increments.

3.4 <u>Toll Free (800/888) Service</u>

This service is available to all residential and business callers in equal access areas and permits callers to use an 800 number to call Customer, at no charge to the caller. Calls are billed in 60 second initial and 60 additional billing increments.

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Shaler Houser, CEO

SECTION 3. DESCRIPTION OF SERVICES (Cont'd)

3.5 <u>Travel Card Service</u>

This service provides flat-rated, post-paid calling card services which Users access by dialing an 800 number specified on the calling card. Calls are charged to the Customer to whom the card is issued. Carrier will replace lost cards at no charge to the Customer. Calling card calls are billed in 60 second initial and 60 additional billing increments.

3.6 Prepaid Phone Cards

[RESERVED FOR FUTURE USE]

3.7 <u>Directory Assistance</u>

Charges for calls made to directory assistance, regardless of time of day or day of week, are charged at the rate specified in Section. To access directory assistance, the caller dials 1411 or area code + 555-1212. No additional measured use or per call charges apply.

3.8 Special Promotions

Carrier may from time to time may offer special promotion trial service offerings designed to attract new subscribers or to increase subscriber awareness of a particular service offering. Except for rates charged under such promotions, all other terms and conditions of service contained in this tariff apply to Carrier's promotional service offerings. Promotional offerings will be provided in accordance with applicable Commission rules.

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Shaler Houser, CEO

SECTION 4. RATES

4.1 Rate Schedules

4.1.1 Outbound Switched Services

4.1.1.A. <u>Rate Plan A</u>

- 1. Rate per minute \$.099 (day, evening, night)
- 2. Monthly recurring charge \$4.96
- 3. Calling card rate .25 cents per minute/.35 surcharge per call
- 4. Calls are billed in full minute increments rounded to the next full minute.

4.1.1.B. Rate Plan B

- 1. Rate per minute \$.145 (day, evening, night)
- 2. No monthly recurring charge
- 3. Calling card rate .25 cents per minute/.35 surcharge per call
- 4. Calls are billed in full minute increments rounded to the next full minute.

Rate Plan C

- 1. Rate per minute \$.099 (day, evening, night)
- 2. Monthly recurring charge \$6.96
- 3. Calling card rate .25 cents per minute/.35 surcharge per call/.81 monthly minimum
- 4. Calls are billed in full minute increments rounded to the next full minute.
- 5. Interstate Plan G
- 6. Business customers only

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SECTION 4. RATES

4.1 Rate Schedules (Cont'd)

4.1.2 Toll Free Services

4.1.2.A. Home 800

- 1. Rate per minute \$.180 (day, evening, night)
- 2. Monthly recurring charge \$0.00
- 3. Calls are billed in full minute increments rounded to the next full minute.

Business 800

- 1. Rate per minute \$.180 (day, evening, night)
- 2. Monthly recurring charge \$0.00
- 3. Calls are billed in 18 Second Minimum, 6 second increments.

4.1.3 <u>Dedicated Services</u>

4.1.3.A. <u>Basic T-1</u>

- 1. Rate per minute \$.07
- 2. Calls are billed in initial 18 second increments and 6 second increments thereafter
- 3. No minimum usage.

4.1.3.B. <u>Deluxe T-1</u>

- 1. Rate per minute \$.65
- 2. Calls are billed in initial 18 second increments and 6 second increments thereafter.
- 3. \$5,000 estimated minimum usage.

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TRIVERGENT COMMUNICATIONS, INC. REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES APPLYING TO LOCAL EXCHANGE COMMUNICATIONS SERVICES WITHIN THE STATE OF TENNESSEE

Issued:

Effective:

Issued By:

Shaler Houser

Chief Executive Officer

TriVergent Communications, Inc. 200 North Main Street, Suite 303

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

Sheet	Revision	Sheet	Revision	Sheet	Revision
1	Original Original	39	Original	58.20	Original Original
2	Original	40	Original	58.21	Original
3	Original	41	Original	58.22	Original
4	Original	42	Original	59	Original
5	Original	43	Original	59.1	Original
6	Original	44	Original	60	Original
7	Original	45	Original	61	Original
8	Original	46	Original	62	Original
9	Original	47	Original	63	Original
10	Original	48	Original	64	Original
11	Original	49	Original	65	Original
12	Original	50	Original	66	Original
13	Original	51	Original	67	Original
14	Original	52	Original	68	Original
15	Original	. 53	Original	69	Original
16	Original	54	Original	70	Original
17	Original	55	Original	71	Original
18	Original	56	Original	71.1	Original
18.1	Original	57	Original	72	Original
19	Original	58	Original		-
20	Original	58 .1	Original		
21	Original	58.2	Original		
22	Original	58.3	Original		
23	Original	58.4	Original		
24	Original	58.5	Original		
25	Original	58.6	Original		•
26	Original	58.7	Original		
27	Original	58.8	Original		
28	Original	58.9	Original		
29	Original	58.10	Original		•
30	Original	58.11	Original		
31	Original	58.12	Original		
32	Original	58.13	Original		
33	Original	58.14	Original		
34	Original	58.15	Original		
35	Original	58.16	Original		
36	Original	58.17	Original		
37	Original	58.18	Original		
38	Original	58.19	Original		

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Chief Executive Officer

TriVergent Communications, Inc. 200 North Main Street, Suite 303

Effective:

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TriVergent Communications, Inc. 200 North Main Street, Suite 303

EXPLANATION OF SYMBOLS, REFERENCE MARKS, AND ABBREVIATIONS OF TECHNICAL TERMS USED IN THIS TARIFF

The following symbols shall be used in this tariff for the purpose indicated below:

- C To signify changed regulation.
- D To signify discontinued rate or regulation.
- I To signify increased rate.
- M To signify a move in the location of text.
- N To signify new rate or regulation.
- R To signify reduced rate.
- S To signify reissued matter.
- To signify a change in text but no change in rate or regulation.

TARIFF FORMAT

- A. Page Numbering Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the Tariff. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.
- B. Page Revision Numbers Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th Revised page 14 Cancels the 3rd Revised page 14.
- C. Paragraph Numbering Sequence There are five levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.

2.1

2.1.1

2.1.1(A)

2.1.1(A).1

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Chief Executive Officer

TriVergent Communications, Inc. 200 North Main Street, Suite 303

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange communications services by TriVergent Communications, Inc. within local calling areas in the State of Tennessee.

The services offered under this tariff are available only to the extent that services and facilities are available for resale from the underlying service provider. Services provided hereunder are used by the Customer for the purpose of originating and terminating intrastate communications between points within the State of Tennessee to complete an end-to-end intrastate local communication. Other services are offered by TriVergent Communications, Inc. under other tariffs or, in the case of unregulated services, under contract.

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Section 1 - DEFINITIONS

Certain terms used generally throughout this tariff are defined below.

<u>Access Line</u>: An arrangement which connects the Customer's location to the Company's designated switching center or point of presence.

Advance Payment: Part or all of a payment required before the start of service.

<u>Authorized User</u>: A person, firm, corporation, or any other entity authorized by the Customer to communicate utilizing the carrier's service.

Call Forwarding:

<u>Call Forwarding Station</u>: Allows calls directed to a station line to be routed to a user defined line inside or outside the customer's Multi-Station System.

<u>Call Forwarding System</u>: Permits calls attempting to terminate to a busy station line to be re-directed to a predetermined line inside or outside the customer's Multi-Station System.

<u>Call Park</u>: Allows a station line to park a call against its own line number. The parked call can be retrieved from any station line by dialing a feature code and the line number against which the call is parked.

<u>Call Pickup</u>: Allows a station line to answer incoming calls to another station line within a defined call pickup group. Call pickup is provided on individual station lines within a customer group.

<u>Call Transfer</u>: Allows a station line user to transfer any established call to another station line inside or outside the customer group without the assistance of the attendant.

<u>Call Waiting</u>: Permits a line in the talking state to be alerted by a tone when another call is attempting to complete to the line. Audible ringing is returned to the originating line. The Service also provides a hold feature that is activated by a switchhook flash.

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TriVergent Communications, Inc. 200 North Main Street, Suite 303

Section 1 - DEFINITIONS (Cont'd)

<u>Company or Carrier</u>: TriVergent Communications, Inc., unless otherwise specified or clearly indicated by the context.

<u>Communications Services</u>: The Company's intrastate toll and local exchange switched telephone services offered for both intraLATA and interLATA use.

<u>Customer</u>: The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with the Company's regulations.

<u>Direct Inward Dial (or "DID")</u>: A service attribute that routes incoming calls directly to stations, by-passing a central answering point.

<u>Direct Outward Dial (or "DOD")</u>: A service attribute that allows individual station users to access and dial outside numbers directly.

<u>Facilities</u>: Equipment and/or machinery owned or leased by the Company, or utilized by a wholesaler in providing the service that the Company resells, used in the provision of the services.

<u>Fiber Optic Cable</u>: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

<u>Joint User</u>: A person, firm or corporation which is designated by the Customer as a user of services furnished to the Customer by TriVergent Communications, Inc. and to whom a portion of the charges for the service will be billed under a joint user arrangement as specified herein.

<u>LATA</u>: A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

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Section 1 - DEFINITIONS (Cont'd)

<u>Recurring Charges</u>: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

<u>Service Order</u>: The written request for Network Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

<u>Shared</u>: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Three-Way Calling: Allows a station line user to add a third party to an existing conversation.

<u>User</u>: A Customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

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Chief Executive Officer

TriVergent Communications, Inc. 200 North Main Street, Suite 303

Section 2 - REGULATIONS

2.1 <u>Undertaking of the Company</u>

2.1.1 Scope

The Company undertakes to furnish intrastate local exchange telecommunications service pursuant to the terms of this tariff in connection with one-way and/or two-way voice, data and other types of transmissions between points within the State.

Customers and users may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company's network in order to originate or terminate its own services, or to communicate with its own customers.

The Company's obligation to furnish service under this tariff is dependent upon its ability to obtain services for resale from an underlying service provider.

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Shaler Houser

Chief Executive Officer

TriVergent Communications, Inc. 200 North Main Street, Suite 303

- 2.1 <u>Undertaking of the Company</u> (Cont'd)
 - 2.1.2 Shortage of Equipment or Facilities
 - 2.1.2.1 The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
 - 2.1.2.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.3 Terms and Conditions

- 2.1.3.1 Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.

 (N)
 - 2.1.3.1.A Unless otherwise specified, the initial service period for all services offered in this Tariff is one month commencing with the date of installation of the service.
 - 2.1.3.1.B For all other services furnished with initial service periods exceeding one month, the applicable initial service period is the number of months indicated in brackets following the basic termination charge listed in that section of this tariff containing the service offered.
 - 2.1.3.1.C. The initial service period relates to each applicable unit of service, either on the initial or subsequent installations.
 - 2.1.3.1.D. The initial service period for automatic answering and recording service is three months. (N)
- 2.1.3.2 Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customer will also be required to execute any other documents as may be reasonably requested by the Company.
- 2.1.3.3 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month-to-month basis at the then current rates unless terminated by either party upon 30 days' written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.
- 2.1.3.4 In any action between the parties to enforce any provision of this tariff, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

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- 2.1 <u>Undertaking of the Company</u> (Cont'd)
 - 2.1.3 Terms and Conditions (Cont'd)
 - 2.1.3.5 Service may be terminated upon written notice to the Customer if:
 - a. the Customer is using the service in violation of this tariff; or
 - b. the Customer is using the service in violation of the law.
 - 2.1.3.6. Service may be terminated at any time upon reasonable notice from the subscriber to the Company. Upon such termination the subscriber shall be responsible for the payment of all charges due. This includes all charges due for the period of service that has been rendered plus any unexpired portion of an initial service period of applicable termination charges or both.

Termination Charge

A termination charge is determined by applying to the Basic Termination Charges the percentage, which the unexpired portion of the Initial service Period bears to the full Initial Service Period.

When a subscriber discontinues one or more units of a group of the same item, the service latest installed shall be considered as the service first discontinued.

When a subscriber cancels an order for service carrying a Basic Termination Charge prior to the establishment of that service, a termination charge applies equal to the cost incurred by the Company in engineering, ordering and providing the service; the termination charge in this event shall not exceed the Basic Termination Charge.

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Chief Executive Officer
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200 North Main Street, Suite 303
Greenville, SC 29601

- 2.1 <u>Undertaking of the Company</u> (Cont'd)
 - 2.1.4 Liability of the Company
 - 2.1.4.1 The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in 2.6. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.
 - 2.1.4.2 The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

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- 2.1 <u>Undertaking of the Company</u> (Cont'd)
 - 2.1.4 <u>Liability of the Company</u> (Cont'd)
 - 2.1.4.3 The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for or with the services the Company offers.
 - 2.1.4.4 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer-provided equipment or facilities.
 - 2.1.4.5 The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this section 2.1.4.5 as a condition precedent to such installations.

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- 2.1 <u>Undertaking of the Company</u> (Cont'd)
 - 2.1.4 Liability of the Company (Cont'd)
 - 2.1.4.6 The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.
 - 2.1.4.7 The Company is not liable for any claims for loss or damages involving:
 - (a) Breach in the privacy or security of communications transmitted over the Company's facilities;
 - (b) Injury to property or injury or death to persons, including claims for payments made under Workmens' Compensation law or under any plan for employee disability or death benefits arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected or to be connected to the Company's facilities;
 - (c) Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this tariff;
 - (d) Any act or omission in connection with the provision of 911, E911 or similar services;
 - (e) Any noncompletion of calls due to network busy conditions.

	
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- 2.1 <u>Undertaking of the Company</u> (Cont'd)
 - 2.1.4 Liability of the Company (Cont'd)
 - 2.1.4.8 The Company shall be indemnified, defended, and held harmless by the Customer against any claim, loss, or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.
 - (a) The Company shall be indemnified, defended and held harmless by the Customer or end user from and against any and all claims, loss, demands, suits, expense, or other action or any liability whatsoever, including attorney fees, whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or service provided by the Company.

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2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

- (b) The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the Customer from and against any and all claims, loss, demands, suits, or other action, or any liability whatsoever, including attorney fees, whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.
- (c) The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, or for other facilities provided by other entities used for service to the Customer, even if the Company has acted as the Customer's agent in arranging for such facilities or services. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.
- (d) Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.

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- 2.1 <u>Undertaking of the Company</u> (Cont'd)
 - 2.1.4 Liability of the Company (Cont'd)
 - 2.1.4.9 The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.
 - 2.1.4.10 The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid Company by Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered.
 - 2.1.4.11 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.
 - 2.1.4.12 Unauthorized Computer Intrusion:

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With respect to any other claim or suit by a subscriber, common carrier, reseller or any other party for damages caused by, or associated with any unauthorized computer intrusion, including but not limited to the input of damaging information such as a virus, time bomb, any unauthorized access, interference, alteration, destruction, theft of, or tampering with, a company computer, switch, data, database, software, information, network or other similar system. The Company's liability, if any, shall not exceed an amount equal to the proportionate charge by the Company for the service for the period during which the service provided by the Company was affected or so utilized.

Each subscriber shall be responsible for providing appropriate security measures to protect the subscriber's computer, data, or telecommunication's network

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*Material previously found on this page is now located on page 18.1.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.4 Liability of the Company (Cont'd)

2.1.4.13. Transmission of Data

The Company shall not be liable for any damage, harm or loss of data caused by the subscriber using the Company's voice-grade telephone access line and or facilities for the transmission of data. The Company's liability shall be limited to errors or damages to the transmission of voice messages over these facilities, and the liability shall be limited to an amount equal to the proportionate charge by the Company for the service for the period during which the service provided by the Company was affected or so utilized.

2.1.4.14. Errors or damages caused by System Date Limitations:

The Company's liability of error or damages resulting the in the inability of the Company's system to process dates, such as the year 2000, shall be limited to the proportionate charge by the Company for the service for the period during which the errors or damages occur.

2.1.4.15. Unauthorized Devices:

The Company shall not be held liable or responsible for any damage or harm that may occur as the result of unauthorized devices or the failure of the Company to detect unauthorized devices on the subscriber's line.

2.1.5 Notification of Service-Affecting Activities

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The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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- 2.1 <u>Undertaking of the Company</u> (Cont'd)
 - 2.1.6 Provision of Equipment and Facilities
 - 2.1.6.1 The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
 - 2.1.6.2 The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
 - 2.1.6.3 The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.
 - 2.1.6.4 Equipment the Company provides or installs at the Customer Premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.

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- 2.1 Undertaking of the Company (Cont'd)
 - 2.1.6 Provision of Equipment and Facilities (Cont'd)
 - 2.1.6.5 The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the Premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.
 - 2.1.6.6 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
 - (a) the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
 - (b) the reception of signals by Customer-provided equipment.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

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2.1 <u>Undertaking of the Company</u> (Cont'd)

2.1.8 Special Construction

Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is that construction undertaken:

- (a) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
- (b) of a type other than that which the Company would normally utilize in the furnishing of its services;
- (c) over a route other than that which the Company would normally utilize in the furnishing of its services;
- (d) in a quantity greater than that which the Company would normally construct;
- (e) on an expedited basis;
- (f) on a temporary basis until permanent facilities are available;
- (g) involving abnormal costs; or
- (h) in advance of its normal construction.

Special construction charges will be determined on an individual basis.

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2.1 Undertaking of the Company (Cont'd)

2.1.9 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors.

2.2 Prohibited Uses

- 2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.2.2 The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and Commission regulations, policies, orders, and decisions.
- 2.2.3 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.
- 2.2.4 A customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

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2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

- (a) the payment of all applicable charges pursuant to this tariff;
- (b) damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;
- (c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment space and power to operate Company facilities and equipment installed on the premises of the Customer Premises, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;

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2.3 Obligations of the Customer (Cont'd)

2.3.1 General (Cont'd)

- (d) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide Communications Services to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(c). Any and all costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service.
- (e) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;

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2.3 Obligations of the Customer (Cont'd)

2.3.1 General (Cont'd)

- (f) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1(d); and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- (g) not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities; and
- (h) making Company facilities and equipment available periodically for inspection and maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.

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2.3 Obligations of the Customer (Cont'd)

2.3.2 Claims

With respect to any service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (a) any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invites; or
- (b) any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between Customer and Company.

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2.4 Customer Equipment and Channels

2.4.1 General

A User may transmit or receive information or signals via the facilities of the Company. The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A User may transmit any form of signal that is compatible with the Company's equipment, but the Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.

2.4.2 Station Equipment

- 2.4.2.1 Terminal equipment on the User's Premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company Point of Connection.
- 2.4.2.2 The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

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2.4 <u>Customer Equipment and Channels</u> (Cont'd)

2.4.3 <u>Interconnection of Facilities</u>

- 2.4.3.1 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communications Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.
- 2.4.3.2 Communications Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.
- 2.4.3.3 Facilities furnished under this tariff may be connected to customer provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all User-provided wiring shall be installed and maintained in compliance with those regulations.
- 2.4.3.4 Users may interconnect communications facilities that are used in whole or in part for interstate communications to services provided under this tariff only to the extent that the user is an "end user" as defined in Section 69.2(m), Title 47, Code of Federal Regulations (1992 edition).

	
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2.4 Customer Equipment and Channels (Cont'd)

2.4.4 <u>Inspections</u>

- 2.4.4.1 Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.2 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- 2.4.4.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

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2.5 Payment Arrangements

2.5.1 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

2.5.2 Billing and Collection of Charges

- 2.5.2.1 Non-recurring charges are due and payable within 30 days after the date an invoice is mailed to the Customer by the Company.
- 2.5.2.2 The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the invoice is mailed.
- 2.5.2.3 When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 days.

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- 2.5 Payment Arrangements (continued)
 - 2.5.2 Billing and Collection of Charges (Cont'd)
 - 2.5.2.4 Billing of the Customer by the Company will begin on the Service Commencement Date, which is the first day following the date on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
 - 2.5.2.5 If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor of 1.5%.
 - 2.5.2.6 With the Company's approval, the Customer may elect to make payments to the Company for charges for facilities and services furnished by the Company using the following credit/debit cards: Visa, Mastercard, American Express or Discover.

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2.5 Payment Arrangements (Cont'd)

2.5.3 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to the non-recurring charge(s) and one month's charges for the service or facility. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

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2.5 Payment Arrangements (Cont'd)

2.5.4 Deposits

- 2.5.4.1 To safeguard its interests, the Company may require a Customer to make a deposit to be held as a guarantee for the payment of charges in accordance with the Rules of the Commission. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:
 - (a) Applicants for Residential Service. The deposit for an applicant of residential service will not exceed an amount equal to \$20.00 per residence.
 - (b) Applicants for Business Service. The deposit for an applicant of business service will not exceed an amount equal to \$20.00 per line.
 - (c) Existing Customers—Business Service and Residential Service. The deposit for an existing Customer will not exceed an amount equal to the Customer's average two (2) month bill, including toll charges, during the preceding twelve (12) months; except that the deposit may include an additional amount in the event that a termination charge is applicable.
- 2.5.4.2 A deposit may be required in addition to an advance payment.
- 2.5.4.3 When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded.

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- 2.5 Payment Arrangements (Cont'd)
 - 2.5.4 Deposits (Cont'd)
 - 2.5.4.4 The deposit plus interest will be refunded to a Residential Service Customer after one (1) year and to a Business Service Customer after two (2) years, provided the Customer's account is not delinquent at that time.

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Section 2 - REGULATIONS (Cont'd)

2.5 Payment Arrangements (Cont'd)

2.5.5 Discontinuance of Service

- 2.5.5.1 Upon nonpayment of any amounts owing to the Company, the Company may, by giving prior written notice to the Customer, discontinue or suspend service without incurring any liability. Any Customer whose check is returned for non-payment or similar reasons will be assessed a penalty of \$25.00.
- 2.5.5.2 Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- 2.5.5.3 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- 2.5.5.4 Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.

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- 2.5 Payment Arrangements (Cont'd)
 - 2.5.5 <u>Discontinuance of Service</u> (Cont'd)
 - 2.5.5.5 Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
 - 2.5.5.6 Upon the Company's discontinuance of service to the Customer under Section 2.5.5.1 or 2.5.5.2, the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).
 - 2.5.5.7 Unless a dangerous condition exists, or unless the Customer requests disconnection, the Company will not disconnect service on a day, or on a day immediately preceding a day, when personnel of the Company are not available for the purpose of making collections and reconnecting service.

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- 2.5 Payment Arrangements (Cont'd)
 - 2.5.6 Cancellation of Application for Service
 - 2.5.6.1 Applications for service are noncancellable unless the Company otherwise agrees. Where the Company permits Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
 - 2.5.6.2 Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun (all discounted to present value at six percent).

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- 2.5 Payment Arrangements (Cont'd)
 - 2.5.6 Cancellation of Application for Service (Cont'd)
 - 2.5.6.3 Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, applies. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
 - 2.5.6.4 The special charges described in 2.5.6.1 through 2.5.6.3 will be calculated and applied on a case-by-case basis.

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2.5 Payment Arrangements (Cont'd)

2.5.7 Changes in Service Requested

If the Customer makes or requests material changes in circuit engineering, equipment specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, the Customer's installation fee shall be adjusted accordingly.

2.5.8 Taxes

If a municipality or political subdivision collects or receives any payment or payments or any telephone service without charge or at reduced rates from the Company for or by reason of the use of the streets, alleys or public places of a municipality or political subdivision or for or by reason of the operation of the Company's business or any portion or phase thereof in the municipality or political subdivision or by reason of an agreement between the municipality or political subdivision and the Company, whether such payments or such service be called a license, occupational, privilege, franchise or inspection tax or fee or otherwise, or whether in a lump sum, or at a flat rate, based on receipts or based on poles, wires, conduits or other facilities or otherwise, the aggregate amount of such payments and such service will be billed, insofar as practical, pro rata to the exchange customers within such municipality or political subdivision, provided, however, the foregoing shall not apply to any such payment or payments or to any such telephone service without charge or at reduced rates during the term of any agreements or arrangement now in effect.

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2.5.9 Contested Charges

All bills are presumed accurate, and shall be absolutely binding on the Customer unless objection is received by the Company within thirty (30) days after such bills are rendered. In the case of a billing dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled with mutual satisfaction, the Customer can take the following course of action within thirty (30) days of the billing date:

- 2.5.9.1 First, the Customer may request, and Company will provide, an in-depth review of the disputed amount. (The undisputed portion and subsequent bills must be paid on a timely basis or the service may be subject to disconnect.)
- 2.5.9.2 Second, if there is still a disagreement about the disputed amount after the investigation and review by a manager of the Company, the Customer may address concerns with the Tennessee Regulatory Authority at:

Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37219 (615) 741-2904

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2.6 Allowances for Interruptions in Service

Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.6.1 for the part of the service that the interruption affects.

2.6.1 Credit for Interruptions

- 2.6.1.1 A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this tariff. An interruption period begins when the Customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.
- 2.6.1.2 For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

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2.6 Allowances for Interruptions in Service (Cont'd)

2.6.1 Credit for Interruptions (Cont'd)

2.6.1.3 A credit allowance will be given for interruptions of 30 minutes or more. Credit allowances shall be calculated as follows:

Interruptions of 24 Hours or Less

Length of Interruption	Interruption Period To Be Credited
Less than 30 minutes	None
30 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

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- 2.6 Allowances for Interruptions in Service (Cont'd)
 - 2.6.1 Credit for Interruptions (Cont'd)

2.6.1.3 (Cont'd)

<u>Interruptions Over 24 Hours and Less Than 72 Hours</u>. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

<u>Interruptions Over 72 Hours</u>. Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than 30 days' credit will be allowed for any one-month period.

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2.6 Allowances for Interruptions in Service (Cont'd)

2.6.2 <u>Limitations on Allowances</u>

No credit allowance will be made for:

- (a) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;
- (b) interruptions due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
- (c) interruptions due to the failure or malfunction of non-Company equipment;
- (d) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (e) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;
- (f) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; and
- (g) interruption of service due to circumstances or causes beyond the control of Company.

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2.6 Allowances for Interruptions in Service (Cont'd)

2.6.3 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

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2.7 <u>Use of Customer's Service by Others</u>

2.7.1 Resale and Sharing

Any service provided under this tariff may be resold to or shared with other persons at the option of Customer, subject to compliance with any applicable laws or Commission regulations governing such resale or sharing. Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this tariff, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.7.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services available for resale and sharing pursuant to this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

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2.8 Cancellation of Service

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 2.6.1 above), Customer agrees to pay to Company the following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in 2.5.2: all costs, fees and expenses reasonably incurred in connection with

- 1) all Non-Recurring charges reasonably expended by Company to establish service to Customer, plus
- 2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus
- 3) all Recurring Charges specified in the applicable Service Order Tariff for the balance of the then current term.

2.9 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company, (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

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2.10 Notices and Communications

- 2.10.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- 2.10.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.10.3 All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.10.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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Section 3 - SERVICE OFFERINGS

3.1 <u>Introduction</u>

The regulations set forth in this section govern the application of rates for services contained in other sections of this price list.

3.2 <u>Charges Based on Duration of Use</u>

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- 3.2.1 Calls are measured in durational increments identified for each service. All calls which are fractions of a measurement increment are rounded up to the next whole unit.
- 3.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).
- 3.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an on-hook signal from the terminating carrier.
- 3.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- 3.2.5 All times refer to local times.

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3.3 Rates Based Upon Distance

Where charges for a service are specified based upon distance, the following rules apply:

3.3.1 Distance between two points is measured as airline distance between the Rate Centers of the originating and terminating telephone lines. The Rate Center is a set of geographic coordinates, as referenced in National Exchange Carrier Association, Inc. Tariff FCC No. 4, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated 800 or WATS access line), the Company will apply the Rate Center of the Customer's main billing telephone number.

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- 3.3.2 The airline distance between any two Rate Centers is determined as follows:
 - a) Obtain the "V" (vertical) and "H" (horizontal) coordinates for each Rate Center from the above-referenced NECA tariff.
 - b) Compute the difference between the "V" coordinates of the two Rate Centers; and the difference between the two "H" coordinates.
 - c) Square each difference obtained in step (b) above.
 - d) Add the square of the "V" difference and the square of the "H" difference obtained in step (c) above.
 - e) Divide the sum of the squares by 10, Round to the next higher whole number if any fraction is obtained.
 - f) Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

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3.4 <u>Directory Listings</u>

For each Customer of Company-provided Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at the following rates:

Monthly Rate

A)	Non-Published Private Listing	\$ 3.42
B)	Non-Listed (Semiprivate) Listing	\$ 1.48
C)	Additional Listing - Residence, Each	\$ 1.00

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For Customers with multiple premises served by the Company, the Company will arrange for a listing of the main billing telephone number at each premise.

3.5 Types of Services Offered

This section of the price list contains a general description of the services offered by TriVergent Communications, Inc. and the rates applicable to each service. TriVergent Communications, Inc. provides switched, telephonic-quality voice and data transmission services that enable Users to communicate on a real-time basis between points within local calling areas in the State of Tennessee, as well as ancillary services that facilitate the use or expand the capabilities of switched communications services. Services may be performed by resale of services provided by other telephone companies.

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3.6 <u>Basic Local Exchange Service</u>

Basic Local Exchange Service provides a Customer with a Connection to the Company's switching network which enables the Customer to:

- a) receive calls from other stations on the public switched telephone network;
- b) access the Company's Local Calling Services and other Services as set forth in this price list;
- c) access interexchange calling services of the Company and of other carriers;
- d) access (at no additional charge) the Company's operators and business office for service related assistance; access toll-free telecommunications services such as 800 NPA; and access 9-1-1 service for emergency calling;
- e) access relay services for the hearing impaired.

Basic Local Exchange Service cannot be used to originate calls to other telephone companies' caller-paid information services (e.g. NPA 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by the Company's switch. Each Basic Local Exchange Service corresponds to one or more telephonic communications channels that can be used to place or receive one call at a time.

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3.6 <u>Basic Local Exchange Service</u> (Cont'd)

TriVergent Communications, Inc.'s exchange areas, rate groups, and local calling areas are identical to those defined in the price lists and tariffs of the incumbent local exchange company serving each exchange area.

TriVergent Communications, Inc.'s provides service in the exchange areas served by the following local exchange companies:

BellSouth -

Two-Point Service (IntraLATA)

Service Between Land Wire Telephones (LATA)

Dial Station to Station: Long Distance service made available between two or more points located within the same LATA in South Carolina.

- A. Apply only to sent-paid station to station dial type communications.
- B. Dial type telephone communication denotes a call dialed and completed without assistance of an operator and the call is billed to the originating number.
- C. Does not apply to calls placed from a payphone.
- D. Customer Card Calls made without operator assistance will be rated as listed below.

Prepaid Local Service

Allows customers who could not otherwise obtain local service due to an unsatisfactory credit history to obtain such services on a prepaid basis. A customer is required to pay for the services in advance. Upon establishment of the service, the customer can place or receive calls to any calling station in the local calling area, access basic 911 emergency service and where available, place or receive calls to 800 telephone numbers.

This service cannot be used to originate calls to another company's caller-paid information services (e.g. 900, 976) or another company's long distance service.

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3.7

[RESERVED FOR FUTURE USE]

3.8 Operator Assisted Local Calls

Operator Assisted Charges: All types of local exchange service have local calling areas within which local calls can be made on a flat rate basis, on a local coin call rate basis, on a Message rate basis, or on a measured service basis.

Local Dial Call: The call must be dialed and completed without the assistance of a Company operator and must be billed to the originating telephone when a charge is applicable.

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Section 4 - RATES AND CHARGES

4.1	Basic	Local	Excl	hange	Service

4.2 Service Charges

4.2.1 Service Ordering Charge - Multi Element Charges

A) Primary - For connecting new or additional Access lines.

Nonrecurring Charge

Per service order

\$40.00

B) Secondary - For moving or changing existing service or adding new or additional service other than Access lines.

Per service order

\$14.25

4.2.2 Access Line Connection Charge

- A) Per Access line or Trunk
 - i) Central Office Work Charge \$ 0.00
 - ii) New Line Connection Charge \$40.00

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Section 4 - RATES AND CHARGES

4.1 <u>Basic Local Exchange Service</u> Con't.

Two Point IntraLATA Services Rates and Charges

Residence and Business	Rate Mile age	Init ial Min	Each Addition al
	age	ute	Minute
	0-16	.10	.10
	17- 30	.15	.15
	31- 55	.19	.19
	56- 101+	.21	.21
Customer Dialed	Per		
Calling Card	call .70		
Operator Assisted	Per Call 1.50		
Person to Person	Per Call 3.00		
Station to Station Collect call	Per Call .50		

Discounts and Applicable Rate Periods. (Do not apply to surcharges)

Residence and Business

Time	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.	Sun.
8:00AM-	Full Rate	Full Rate	Full Rate	Full Rate	Full	53%	53%
5:00PM	,				Rate	Disc.	Disc.
5:00PM-	30% Disc	30%	30%	30%	30%	53%	30%
11:00PM		Disc	Disc	Disc	Disc	Disc	Disc
11:00PM	53%	53%	53%	53%	53%	53%	53%
8:00AM	Disc	Disc.	Disc.	Disc.	Disc	Disc	Disc

*All business and residential customers of	TriVergent Communications,	Inc. will receive 5	% off of the rates	listed above,
discount does not apply to surcharges.				

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Section 4 - RATES AND CHARGES

- 4.1. Basic Local Exchange Service (Con't.)
- 4.1.1 Prepaid Local Service Rates
- A. One-Time Connection Fee-\$30.00
- B. Monthly Service Charge (first Month)-\$49.00
- C. Recurring Monthly Service Charge-\$39.00

D.	Optional Services	Monthly Recurring	One-time
		Charge	Activation Fee
	1. Call Waiting	\$5.00	
	2. Call Forwarding	\$5.00	
	3. Three-way Calling	\$5.00	
	4. Unpublished Number	\$5.00	
	5. Speed Dial (8)	\$5.00	
	6. Call Return	\$5.00	
	7. Caller ID	\$10.00	

D. All rate are exclusive of taxes . taxes (including federally mandated fees and assessments) will be added to the Customer's monthly invoices.

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- 4.1.2 State Billing Name and Address for ANI Service
- A. State Billing Name and Address for ANI service provides for end user billing name and address associated information. It is available to IC's such as Enhanced Service Provider (ESP), Operator Service Provider (OSP), Interexchange Carrier (IC) any other provider of telecommunications services.
- B. State Billing Name and Address for ANI service is available on those calls for which the ANI of the calling or billed party is provided to the Company. This includes 101XXXX dialed calls, calling card calls and collect and third party billed calls. Information provided consists of the following:
 - 1. Billing name and street address of the subscriber (BNA)
 - 2. Billing Telephone Number (BTN)
 - 3. Working Telephone Number (WIN)
 - 4. Terminal Number (TER)
 - 5. IC Type Indicator (CTI)
 - 6. IC Code
- A. Restriction one use of State's Billing Name and Address for ANI information:
 - 1. The IC or its authorized billing and collection agent, agrees not to publish any State billing information provided and to use such information for the sole purpose of rendering bills for its provision of services to its ICs.
 - 2. The IC, or its authorized billing and collection agent may not permit anyone but its duly authorized employees to inspect or use State Billing Name and Address for ANI Information.
 - 3. The IC, or its authorized billing and collection agent may not use the State Billing and ANI information to publish and distribute, in any form, lists of the subscribers provided.
 - 4. The IC, or its authorized billing and collection agent shall not reproduce in any way copies of the BNA information furnished, other than as required internally for the rendering of bills for service provided.
- A. The Company will provide State Billing Name and Address for ANI data no later than ten (10) business days from the date of receipt of the IC's request. Availability of data maybe delayed if errors exist in the request received from the IC.

Rates Billing Name and Address for ANI Service

a.	One-time Setup Charge	\$250.00
ъ.	Charge per individual record	\$ 0.20

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State Communications

Tennessee "Business and Residential

Acomenius		Business	USOC	Residence	USOC
BASIC					
Rate Group 1	Flat	\$25.70	1FB	\$7.17	1FR
Rate Group 2	Flat	\$29.26	1FB	\$8.08	1FR
Rate Group 3	Flat	\$31.11	1FB	\$8.60	1FR
Rate Group 4	Flat	\$37.10	1FB	\$11.26	1FR
Rate Group 5	Flat	\$37.72	1FB	\$11.54	1FR
Rate Group 6 - Exception Rate	Flat	\$29.80	1FB	\$10.30	1FR
Rate Group 7 - Exception Rate	Flat	\$32.70	1FB	\$9.00	1FR
Rate Group 8 - Exception Rate	Flat	\$ 31.75	1FB	\$9.95	1FR
Rate Group 11 - Exception Rate	Flat	\$32.75	1FB	\$9.05	1FR
Rate Group 16 - Exception Rate	Flat	\$33.75	1FB	\$9.35	1FR
REGIONAL RESIDENTIAL	This is not ava	ailable where the	e Morristown	Area Calling F	Plan or the Maryville Exception
SERVICE			Area Plar	ns are offered	
Rate Group 1	Measured			\$4.28	RWG,RWGCL OR TAKER
Rate Group 2	Measured			\$4.28	RWG,RWGCL OR TAKER
Rate Group 3	Measured			\$4.28	RWG,RWGCL OR TAKER
Rate Group 4	Measured			\$5.23	RWG,RWGCL OR TAKER
Rate Group 5	Measured			\$5.23	RWG,RWGCL OR TAKER

Cust. Pays a low base plus usage. The RWG and RWGRL are for the access line w/o the discount option. The taker is for access line with the 20% discount.

REGIONAL BUSINESS SERVICE

	Rate Group 1	Measured	\$23.28	113,113CL,1NZ, TA1,TA2,TAK1B,T AKC1	Cust. Pays a low base rate plus usage 113 & 113CL are for Regional Service w/o discount for 2-way service
Rate Group 2		Measured	\$23.28	113,113CL,1NZ, TA1,TA2,TAK1B,T AKC2	INZ is for Regional Service w/o discount for inward service only TAK1B is for Regional Service
Rate Group 3		Measured	\$23.28	113,113CL,1NZ, TA1,TA2,TAK1B,T AKC3	w/discount for inward service only TAKC1 is for Regional Service
Rate Group 4		Measured	\$26.13	113,113CL,1NZ, TA1,TA2,TAK1B,T AKC4	w/discount for 2-way lines
Rate Group 5		Measured	\$26.13	113,113CL,1NZ, TA1,TA2,TAK1B,T AKC5	·

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MESSAGE RATE SERVICE	This service is bas	ed upon the nur Business	nber of call place	ed or received. Residence	USOC
te Group 1	Measured			\$3.61	1MR or 1MRCL
Rate Group 2	Measured			\$4.04	1MR or 1MRCL
Rate Group 3	Measured			\$4.32	1MR or 1MRCL
Rate Group 4	Measured			\$5.65	1MR or 1MRCL
Rate Group 5	Measured			\$5.80	1MR or 1MRCL
Rate Group 6 - Exception Rate	Measured			\$4.75	1MR or 1MRCL
Rate Group 7 - Exception Rate	Measured			\$4.47	1MR or 1MRCL
Rate Group 8 - Exception Rate	Measured			\$4.89	1MR or 1MRCL
Rate Group 11 - Exception Rate	Measured			\$4.28	1MR or 1MRCL
Rate Group 16 - Exception Rate	Measured			\$4.32	1MR or 1MRCL
MEASURED LOW USAGE	This is not offered	where Regional	Service is offere	ed. Thus Measure	d Service is not a comm
		_			servi
Rate Group 1	Measured	\$18.00		\$2.85	
Rate Group 2	Measured	\$20.47		\$3.23	
Rate Group 3	Measured	\$21.80		\$3.42	
Rate Group 4	Measured	\$25.98		\$4.51	
Rate Group 5	Measured	\$26.41		\$4.61	
Big Sandy (Group 2C)	Measured	\$21.76		\$3.42	
Bulls Gap (Group 3B)	Measured	\$22.47		\$3.56	
Cedar Grove (Group 1C)	Measured	\$19.81		\$3.90	
Lyles (Group 2B)	Measured	\$21.14		\$3.80	
Summertown (Group 2D)	Measured	\$21.80		\$3.42	
MEASURED STANDARD USAGE	This is not offered	where Regional	Service is offer	ed. Thus Measure	ed Service is not a comm servi
Rate Group 1	Measured			\$5.04	
Rate Group 2	Measured			\$5.65	
Rate Group 3	Measured			\$6.03	
Rate Group 4	Measured			\$7.89	
Rate Group 5	Measured			\$8.08	
Big Sandy (Group 2C)	Measured			\$5.99	
Bulls Gap (Group 3B)	Measured			\$6.22	
Cedar Grove (Group 1C)	Measured			\$6.84	
Lyles (Group 2B)	Measured			\$6.60	
Summertown (Group 2D)	Measured			\$6.03	
LOCAL FAVORITES					
Local Favorites - One Line Plan	Flat			\$25.65	VR3 & VSB
Local Favorites - Two Line Plan	Flat			\$49.88	CCML2
Local Favorites - Three Line Plan	Flat			\$74.10	CCMIL3
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COMMAND CAL	LING		Bus.		Res.	Ţ	JSOC
Command C	alling	Flat			\$25.65		AR7
Command Calling wa	Flat		,	\$38.00	А	C7/VSB	
Command Calling was Two Line	/ Local Fav	Flat			\$74.58		ACML2
Command Calling w Three Line		Flat			\$111.15		ACML3
STRUCTURE HAS J	ACKS AND						
1st Line	•	One- Time	\$55.58		\$39.43	1	
Each Additional L	ine: Same	One-	\$29.45		\$17.10	}	
Request STRUCTURE NEEDS	IACKE AND	Time					
WIRING	JACKS AND			•			
1st Line	One- Time	\$112.58		\$96.43	3		
Each Additional L	.ine: Same	One-	\$48.45		\$36.10)	
Request		Time					
ADDITIONAL CHA INCLUDE	RGES TO	·					
	Service Charge	One-	\$22.80		\$19.00)	
,		Time	V		******		
			•				
Measured Rate	Res/Low Use		Res/Standard		Business		
Usage Allowance	\$ 0.95		\$ 7.13		\$ 9.50		
	Initial MOU A	Additional MOU					
Usage Rates	.04	0.02					
-	4.4	•	141. 4	74	F .2	.	6
Time 8:00 AM - 5:00 PM	Mon Full Rate	Tues Full Rate	Wed Full Rate	Thurs Full Rate	Fri Full Rate	Sat 60% off	Sun 60% off
5:00 PM - 11:00 PM	35% off	35% off					35% off
11:00 PM - 8:00 AM	60% off	60% off	60% off	60%	60%	60%	60%
				off	off	off	off

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4.1.3 Bas	ic Business a	and Resid	ential I	Local Se	rvice									
Command														
Calling Con't														
(1) Rate Mileage	Initial MOU	Additional	MOUs	Į	JSOC									
(a) 1-10 miles	\$ 0.10	\$	0.10		N/A									
(b) 11 - 16 miles	\$ 0.10	\$	0.10		N/A									
(c) 17 - 22 miles	\$ 0.15	\$	0.15		N/A									
(d) 23 - 30 miles	\$ 0.15	\$	0.15		N/A									
(e) 31 - 40 miles	\$ 0.19	\$	0.19		N/A								•	
(f) 41 - 55 miles	\$ 0.19	\$	0.19		N/A									
(g) 56 - 70 miles	\$ 0.21	\$	0.21		N/A									
(h) 71 - 85 miles	\$ 0.21	\$	0.21		N/A				·					
(i) 86 - 100 miles	\$ 0.21	\$	0.21		N/A									
(j) 101 +	\$ 0.21	\$	0.21		N/A									
Discount Schedule														
	Mon	Tue		Wed		Thu		Fri		Sat		Sun		
8am-5pm	Full	Full		Full		Full	•	Full			53%		53%	
5pm-8pm	30%		30%		30%	•	30%		30%		53%		30%	
8pm-8am	53%		53%		53%		53%		53%		53%		53%	

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Morristown Area Calling Plan

The Morristown Area Calling Plan is an optional Measured offering for the Morristown Exchange that provides local calling From the subscriber's home wire center to all wire centers within a 40 mile radius based on airline mileage, in addition to the existing service.

Residence Access Line Rates	STATE
Rate Groups 1-3	\$ 4.28
Rate Groups 4-5	\$ 5.23
Business Access Line Rates	
Rate Groups 1-3	\$ 23.28
Rate Groups 4-5	\$ 26.13

In addition to the Access Line charge every customer must choose a usage package from the following: Option 1

\$3.80

With this usage package, customer is billed for all local calls at the shown rates. Local usage charges for calls termination In Bands A, B, C, and D will not exceed \$15.00 for Residence lines and \$25.00 for Business Lines.

Option 2

This option includes a \$4.00 usage allowance on all call termination in Bands A, B, C and D. Local calls are billed at the Shown usage rates, then a 20% discount on the total usage charges. This option does take advantage of the off-peak/on-peak discount

	Initial		Additional MOU	
Mileage Bands	MOU	STATE	MOU	
				STATE
A (0 miles)		0.02		0.01
5445 11)				
B (1-10 miles)		0.03		0.014
0 (44 40 %)				
C (11-16 miles)		0.04		0.02
D (17-22 miles and intra-				0.04
county greater than 22 miles)		0.06		0.04
E (23-30 miles inter-county)				6.65
_ (00 00 000000000000000000000000000		0.10		
F (31-40 miles inter-county)				0.10
•		0.13		
G (40+ miles, inter-county)				0.13
		0.17		
*From 8PM - 8AM there will				
be a 50% discount to the rates				

Option 2

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above.

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4.1.3 Basic Business and Residential Local Service State Communications

Tennessee "Residence and Business Features

Business Features		•	11000	D	11000
		Res	USOC	Business	USOC
Anonymous Call Rejection (ACR)	Monthly	\$2.85	HBY	3.33	
Busy Redial Connect, Per Activation	Per Use	\$0.71	N/A	.71	
Call Block	Monthly	\$3.80	NSY	4.28	
Call Forwarding Busy Line	Monthly	\$0.95	GCE	3.09	
Call Forwarding Busy Line - Customer Control	Monthly	\$2.85	GJP		
Call Forwarding Busy Line - Multipath or Customer Control	Monthly	\$1.90	CFSBX	2.85	
Call Forwarding Don't Answer	Monthly	\$0.95	GCJ	3.09	
Call Forwarding Don't Answer -	Monthly	\$2.85	GJC	3.09	GCFRC
Customer Control Call Forwarding Don't Answer - Multipath or Customer Control	Monthly	\$1.90	CFSDX	2.85	
Call Forwarding Don't Answer - Ring Control	Monthly	\$0.95	GCJR C	3.09	
Call Forwarding Variable	Monthly	\$2.61	ESM	3.56	
Call Forwarding Variable - Multipath or Remote Access	Monthly	\$2.85	CFSVX	2.85	
Call Return	Monthly	\$3.80	NSS	4.28	
Call Return, Per Activation	Per Use	\$0.71	N/A	.71	
Call Tracing	Monthly	\$3.80	NST	4.75	
Call Waiting	Monthly	\$2.85	ESX	3.71	
Call Waiting Deluxe	Monthly	\$5.70	ESXDL		
Call Waiting Deluxe w/ Conferencing	Monthly	\$5.70	ESXDC		
Caller ID Basic	Monthly	\$5.70	NSD	7.13	
Caller ID Deluxe	Monthly	\$7.13	NXM		
Caller ID Deluxe for Multi-line Hunt	Monthly	\$ 7.13	NXMMN	9.49	
Caller ID Deluxe w/ ACR	Monthly	\$7.13	NXMCR	9.49	
Calling # Delivery Blocking - Permanent	Monthly	\$0.00	NOB		
Calling # Delivery Blocking - Permanent (Non-published / non- listed)	Monthly	\$0.00	NOBNP	0.00	
Call Forwarding Don't Answer	Monthly			5.94	GJC
Call Forwarding Busy Line	Monthly			5.94	GJP
Customized Code Restriction Option 1	Monthly	\$1.90	CREX1	3.56	
Customized Code Restriction Option 2	Monthly	\$1.90	CREX2	3.56	
Customized Code Restriction Option 3	Monthly	\$1.90	CREX3	3.56	
Customized Code Restriction Option 4	Monthly	\$0.00	CREX4	0.00	
Customized Code Restriction Option 6	Monthly	\$0.00	CREX6	0.00	
Enhanced Caller ID with Call forwarding etc	Monthly			16.10	NTACR

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Residence and Business Features		Res	USOC	Business	USOC
Enhanced Caller ID	Monthly			15 19	NXECR
Directory Assistance outside TN	Each	\$0.81		70.70	
Directory Assistance within TN Local Toll 6 calls free	Each	\$0.29			
Directory Assistance Courtesy Competition, Local calls		\$0.43			
only. In addition to the DA charge.		73			
Flexible Call Forwarding	Monthly	\$4.75	FCS	8.55	
Flexible Call Forwarding - Plus	Monthly	\$8.55	FCPCN	10.45	
Flexible Call Forwarding - Plus (Audio Calling Name)	Monthly	\$6.65	FCSCN		
Flexible Call Forwarding (Audio Calling Name)	Monthly	\$6.65	FCP		
Inside Wire Maintenance	Monthly	\$2.85	SEQ1X		
Local Directory Assistance Call Completion	Each	\$0.43			
Message Waiting Indicator - Audible	Monthly	\$0.48	MWW	.48	
Message Waiting Indicator - Audible/Visual	Monthly	\$0.48	MWWAV	.48	
My Call Service 1	Monthly	\$3.80	DRS	6.65	
My Call Service 2	Monthly	\$5.70	DRS1X	9.50	
OBSOLETE - All Features including Speed Calling 30	Monthly	\$8.55	ES5		
OBSOLETE - Call Waiting w/ Call Fading and Speed Calling 30	Monthly	\$6.89	ESG		
OBSOLETE - Call Waiting w/ Speed Calling 30	Monthly	\$5.23	ESW		
OBSOLETE - Visual Director w/ Conferencing and Voice	Monthly	\$13.30	VDRCM	19.94	
Messaging with ACR.					
OBSOLETE - Visual Director w/ Conferencing with ACR.	Monthly	\$13.30	VDRCW	19.94	
Preference Call	Monthly	\$2.85	NSK	3.33	
Preferred Call Forwarding	Monthly	\$2.85	·NCE	3.33	
Remote Access Call Forwarding Variable	Monthly	\$ 5.46	GCZ	7.36	
Repeat Dialing	Monthly	\$3.80	NSQ	4.28	
Repeat Dialing, Per Activation	Per Use	\$0.71	N/A	.71	
Speed Calling 30	Monthly	\$3.56	ESF	4.51	
Speed Calling 8	Monthly	\$2.09	ESL	3.04	
Three Way Calling	Monthly	\$2.61	ESC	3.56	
State Communications Voicemail	Monthly			5.65	SMBBX
Additional Listing 800	Monthly			1.71	szs
Additional Listing	Monthly			1.71	CLT
Three Way Calling w/ Transfer	Monthly			5.70	ESCW
Touch-tone	Monthly	\$ 1.43	TTR		T
Verification & Interruption	Each	\$1.43 \$2.23	IIK		
Verification of Busy	Each	\$2.23 \$0.90			
	Lauri	40.3 0			

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		Res	USOC	Business	USOC
State Communications Voicemail	Each	\$4.70	MBBRX		
Additional Listing	Monthly	\$1.14	RLT		
Multi-feature Discounts available					
with non-packaged Features					
# of Features, 2	Monthly	\$ (0.50)	MFD2X		
# of Features, 3	Monthly	\$ (1.50)	MFD3X		
# of Features, 4	Monthly	\$ (3.00)	MFD4X		
# of Features, 5	Monthly	\$ (4.50)	MFD5X		
# of Features, 6	Monthly	\$ (6.00)	MFD6X		
# of Features, 7	Monthly	\$ (7.50)	MFD7X		
# of Features, 8	Monthly	\$ (9.00)	MFD8X		
# of Features, 9	Monthly	\$ (10.50)	MFD9X		
# of Features, 10	Monthly	\$ (12.00)	MFD1A		
# of Features, 11	Monthly	\$ (13.50)	MFD11		
# of Features, 12	Monthly	\$ (15.00)	MFD12		
# of Features, 13	Monthly	\$ (16.50)	MFD13		
# of Features, 14	Monthly	\$ (18.00)	MFD14		
# of Features, 15	Monthly	\$ (19.50)	MFD15		
# of Features, 16	Monthly	\$ (21.00)	MFD16		
# of Features, 17	Monthly	\$ (22.50)	MFD17		
# of Features, 18	Monthly	\$ (24.00)	MFD18		
# of Features, 19	Monthly	\$ (25.50)	MFD19		
# of Features, 20	Monthly	\$ (27.00)	MRD2A		

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State Communications Tennessee - BUSINESS ONLY

USOC **BASIC BUSINESS Option P** Option 1 Each minute over 7,200 minutes \$0.05 Measured \$60.80 BT1 Option 2 Measured \$43.42 BT2 Each minute used outside basic area \$0.09 **BUSINESS Option C PACKAGE** Option 1 Measured \$74.00 BC1 Each minute over 7,200 minutes \$0.05 Option 2 Measured \$56.00 BC2 Each minute used outside basic area \$0.12

State Communications Business Option P

Option 1 Flat rated plan which allows for unlimited calling within the LATA (includes a usage allowance of 120 hours/7200 minutes) Monthly Rate and per Minute of Use USOC-

State USOC Each line \$ 60.80 BT1 Each Minute of use above 120 hours (7,200 minutes) 0.05

Option 2 Combination rated plan which provides for unlimited usage within the basic service area for a flat monthly charge, and a Single rate for each minute of use for all other calling within the LATA. Monthly Rate and per Minute of Use USOC-

State USOC Each line 43.42 BT2 Each Minute of use outside the Basic Service Area 0.09

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^{*}Touch-Tone service is included in State Communications Business Option P

^{*}Usage billed in full-minute increments

State Communications Business Option C Package

Option 1

Flat rated plan which allows for unlimited calling within the LATA (includes a usage allowance of 120 hours/7200 minutes), plus also provides the subscriber with up to five compatible services and features from the below list. The calling features chosen

Monthly Rate and per Minute of Use USOC-	State	USOC
Each line	\$ 74.05	BC1
Each Minute of use above 120 hours (7,200 minutes)	\$ 0.05	

^{*}Touch-Tone service is included in State Communications Business Option C Package.

Option 2

Combination rated plan, which provides for unlimited usage within the basic service area for a flat monthly charge, and a single rate for each minute of use for all other calling within the LATA. This also provides the subscriber with up to five compatible

Monthly Rate and per Minute of Use USOC-

Each line

Each Minute of use outside the Basic Service Area

^{*}Touch-Tone service is included in State Communications Business Option C Package.

*Usage billed in full-minute increments.	State	USOC
	\$ 56.00	BC2
	\$ 0.12	

Calling Features	USOC	CHARGES
Call Forward Busy Line	GCE	3.09
Call Forward Don't Answer	GCJ	3.09
Call Forward Don't Answer Ring Control	GCJRC	3.09
Call Forward Variable	ESM	3.56
Flexible Call Forwarding	FCS	8.55
Call Waiting	ESX	3.71
Speed Calling 8	ESL	3.04
Speed Calling 30	ESF	4.51
Three Way Calling	ESC	3.56
Message Waiting Indicator - Audible	MWW	0.48
Message Waiting Indicator - Visual	MWWAV	0.48
Call Return	NSS	4.28
Call Block	NSY	4.28
Call Tracing	NST	4.75
Repeat Dialing	NSQ	4.28
Preference Call	NSK	3.33
Preferred Call Forwarding	NCE	3.33
My Call I	DRS	6.65
My Cail II	DRS1X	9.50
Remote Access Call Forwarding	GCZ	7.36
Three Way Calling with Transfer	ESCWT	

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^{*}Usage billed in full-minute increments.

When more than five calling features are subscribed to in one State Communications Business Option C Package, five calling features are applied to the State Communications Business Option C Package limits. The remaining calling features may be eligible for the

# of Features	Costs	USOC	# of Features	Costs	USOC	# of Features
2	(\$0.75)	MFD2X	11	(\$20.25)	MFD11	20
3	(\$2.25)	MFD3X	12	(\$22.50)	MFD12	
4	(\$4.50)	MFD4X	13	(\$24.75)	MFD13	
5	(\$6.75)	MFD5X	14	(\$27.00)	MFD14	
6	(\$9.00)	MFD6X	15	(\$29.25)	MFD15	
7	(\$11.25)	NFD7X	16	(\$31.50)	MFD16	
8	(\$13.50)	MFD8X	17	(\$33.75)	MFD17	
9	(\$15.75)	MFD9X	18	(\$36.00)	MFD18	
10	(\$18.00)	MFD1A	19	(\$38.25)	MFD19	•

The Multi-Package Discount Plan provides eligible State Communications Business Option C Package customers reduced monthly package rates based upon the number of State Communications Business Option C Packages Subscribed to. Eligibility for the discounts is

- 1. A minimum purchase of two State Communications Business Option C Packages is required.
- 2. The State Communications Business Option C Packages must be provisioned to a single customer at a single location.
- 3. Only the lines at the customer location that are in a hunting arrangement are eligible. The number of Discount Eligible Packages equal the number of lines in hunt.

PACKAGE	COST	USOC	PACKAGE	COST	USOC
(a) 1 package -	NA	NA	(e) 5 packages	(\$25.00)	MDP05
(b) 2 packages	(\$4.00)	MDP02	(f) 6 packages	(\$36.00)	MDP06
(c) 3 packages	(\$9.00)	MDP03	(g) 7 packages	(\$49,00)	MDP07
(d) 4 packages	(\$16.00)	MDP04	(h) 8 or more packages	(\$64.00)	MDP08

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State Communications Feature Descriptions

FEATURE NAME DESCRIPTION

Anonymous Call Rejection (ACR)

Busy Redial Connect, Per Activation

Call Block

Call Forwarding Busy Line

Call Forwarding Busy Line - Customer Control

Call Forwarding Busy Line - Multipath or Customer Control

Call Forwarding Don't Answer

Call Forwarding Don't Answer - Multipath or Customer Control

Blocks callers who have made their information private before calling you. This feature will route those callers to a message that tells them they have dialed correctly; however, they must unblock their information and call again.

This feature automatically comes on when you dial a busy number. A recording tells you that the number you have reached is busy; however, Busy Redial Connect will continue to dial the number for you and to accept the offer press one.

This feature provides the customer the ability to prevent incoming calls from up to six different telephone numbers. A screening list is created by the customer either by adding the last number associated with the line (incoming or outgoing), or by pre-selecting the telephone numbers to be blocked. When a call is placed to the customer's number from a number on the screening list, the caller receives an announcement indicating that the party he is attempting to call does not wish to receive his call at this time. If the customer also subscribes to Preferred Call Forwarding and/or Call Selector and the same telephone numbers appear on those screening lists, Call Block will take precedence. This feature will not work if the incoming call is from a telephone number in a multiline hunt group unless the telephone number is the main telephone number in the hunt group, or is Telephone Number identified.

This feature provides for calls terminating to a subscriber's busy directory number to be forwarded to another telephone on a premises other than the provisioned premises. The customer selected forward-to telephone number is preprogrammed at the time service is established and can only be changed via service order.

This feature provides a customer the Call Forwarding Busy Line feature and the capability to control from the base station line the activation and deactivation of the service by using dialing codes. The destination telephone number is specified by the customer at the time this feature is ordered and can only be changed via service order.

This feature provides customers who subscribe to Call Forwarding Busy Line, Call Forwarding Don't Answer, Customer Control of Call Forwarding Busy Line, Customer Control of Call Forwarding Don't Answer, Call Forwarding Variable, or Remote Access to Call Forwarding Variable the capability to specify the number of calling paths that will be forwarded to another telephone number. This feature provides for calls terminating to a subscriber's idle directory number to be forwarded, after a customer preselected interval, to another telephone number. The customer selected forward-to telephone number and specified 'interval are preprogrammed at the time service is established and can only be changed via service order. No Service Charge is applicable if the customer requests a ring count change within thirty days from the establishment of the feature on the subscriber's line. This feature provides a customer the Call Forwarding Don't Answer feature and the capability to control from the base station line the activation and deactivation of the service by using dialing codes. The destination telephone number and forwarding interval are specified by the customer at the time this feature is ordered and can only be changed via service order. No Service Charge is applicable if the customer requests a ring count change within thirty days from the establishment of the feature on

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the subscriber's line

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State Communications Feature Descriptions

•	
FEATURE NAME	DESCRIPTION
Call Forwarding Don't Answer - Ring Control	This feature provides for calls incoming to a subscriber's idle directory number to be forwarded to another telephone number after a customer-controlled interval expressed in either ring cycles or seconds, depending on specific technology involved. The forwarded-to telephone number is specified at the time service is established and can only be changed via service order. Such change is subject to normal service order charges. CFDA-RC is available only where facilities permit, and provides the customer with the capability to change the interval after which forwarding occurs. Such change is made at the convenience of the customer, and is not subject to service order charges. After establishment of service, the interval cannot be changed via service order.
Call Forwarding Variable	Provides for transferring incoming calls to another telephone number by dialing a code and the telephone number of the service to which calls are to be transferred. Satisfactory transmission levels cannot be assured on calls forwarded outside the local calling area.
Call Forwarding Variable - Multipath or Remote Access	This feature provides a customer the Call Forwarding Variable feature and the capability to activate and deactivate the service remotely from any line/equipment capable of Touch-Tone signaling rather than only from the base station line. This feature does not require that a courtesy call be completed to the forward-to-telephone number.
Call Return	This feature enables a customer to place a call to the telephone number associated with the most recent call received whether or not the call was answered or the number is known. The customer can dial a code to request that the network place the call.
Call Tracing	Call Tracing enables the customer to initiate an automatic trace of the last call received. Upon activation by the customer, the network automatically sends a message to the Company's Security Department indicating the calling number, the time the trace was activated, and in some locations, the time the offending call was received. The customer using this feature would be required to contact the Annoyance Call Bureau for further action. The customer is not provided the traced number. Only calls from within the same Number ID capable area are traceable using Call Tracing. This feature will not work if the incoming call is from a telephone number in a multiline hunt group, unless the telephone number is the main telephone number in the hunt group, or is Telephone Number identified. In some locations, if the customer makes or receives another call after hanging up from the annoying call, prior to activating the trace, Call Tracing will not record the correct number.
Call Waiting	Provides the user, busy on a call, with a private signal, which alerts him to unanswered call waiting to be completed to his number. The user may, then, hold the existing call, answer the incoming call and alternately talk on both calls until one has been terminated.
Call Waiting Deluxe	This service allows a residence customer to control the treatment applied to incoming calls while the customer is off-hook on a call. Call Waiting Deluxe includes the functionality of the Call Waiting feature and provides several additional call disposition options. The customer must have a Calling Identification Delivery feature, such as Caller ID-Basic or Caller ID-Deluxe for the calling identification data of the waiting call to be provided following the Call Waiting Deluxe alerting tone. The customer must subscribe to the Call Forwarding Don't Answer feature in order to forward a waiting call to another location.
Call Waiting Deluxe w/ Conferencing Caller ID Basic	Same as above, just with conferencing This feature enables the customer to view on a display unit the Directory Number (DN) on incoming
Caller ID Deluxe	telephone calls. This feature enables the customer to view on a display unit the calling party Directory Name and
Caller ID Deluxe for Multi-line Hunt	Directory Number on 'incoming telephone calls. If the incoming call originates from a Multi-Line Hunt Group, the telephone number and name information transmitted will be associated with the main number in the bunt group, walks of call the property of the bunt group, walks of call the property of the bunt group.

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permitting, the lines within the group are TN (Telephone Number) identified.

information transmitted will be associated with the main number in the hunt group, unless, facilities

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State Communications Feature Descriptions

FEATURE NAME

Caller ID Deluxe w/ ACR

DESCRIPTION

This feature allows customers to automatically reject incoming calls when the call originates from a telephone number which has invoked a blocking feature that prevents the delivery of their number to the called party. When ACR is activated on the customer's line and an incoming call marked private is received, the called party's telephone will not ring. The call will be routed to an announcement and subsequently terminated. The announcement informs the calling party that the person he or she is trying to reach will not accept the call as long as the calling number is not delivered. Incoming calls are checked for acceptance or rejection by Anonymous Call Rejection regardless of the current state of the ACR customer's line (e.g., off hook or idle).

Calling # Delivery Blocking - Permanent

This feature, when established on a customer's line, enables subscribers of Non-Published Listing Service or special agencies as described in A13.19.3.A.13. of this Tariff, to prevent transmission of their Directory Number and/or Directory Name to subscribers of Number ID" service features such as Caller ID, on all outgoing calls placed from the customer's line. Calling Number Delivery Blocking - Permanent is established and/or removed from the customer's line via a service order. If the preassigned access code for Calling Number Delivery Unblocking is dialed on a line that is provisioned with Calling Number Delivery Blocking - Permanent, the calling number and/or name will be delivered. Calling Number Delivery Blocking does not prevent transmission of the calling party number on services such as E911 that utilize Automatic Number Identification (ANI) for delivery of the calling number.

Calling # Delivery Blocking - Permanent (Non-published / non-listed)

This feature, when established on a customer's line, enables subscribers of Non-Published Listing Service or special agencies as described in A13.19.3.A.13. of this Tariff, to prevent transmission of their Directory Number and/or Directory Name to subscribers of Number ID* service features such as Caller ID, on all outgoing calls placed from the customer's line. Calling Number Delivery Blocking - Permanent is established and/or removed from the customer's line via a service order. If the preassigned access code for Calling Number Delivery Unblocking is dialed on a line that is provisioned with Calling Number Delivery Blocking - Permanent, the calling number and/or name will be delivered. Calling Number Delivery Blocking does not prevent transmission of the calling party number on services such as E911 that utilize Automatic Number Identification (ANI) for delivery of the calling number.

Customized Code Restriction Option 1

Customized Code Restriction Option 2
Customized Code Restriction Option 3

Customized Code Restriction Option 4 Customized Code Restriction Option 6 Directory Assistance Courtesy Competition RESTRICTS CALLS TO: 0, 10XXX+0, 00, 0+,10XXX+0+, 1+, 10XXX+1+, 1+555-1212, 1+NPA+555-1212, 411, 1+411, 0+411, 1+900, 976, 1+976, 011+, 01, 500 SERVICE

RESTRICTS CALLS TO 976 SERVICE, 1+976,0, 10XXX+0, 00, 0+, 10XXX+0+, 01

RESTRICTS CALLS TO 0, 10XXX+0, 00, 0+,10XXX+0+, 1+, 10XXX+1+, 1+555-1212, 1+NPA+555-

1212, 1+900, 011+, 01+

RESTRICTS CALLS TO 976 SERVICE, 1+976,1+900, 0+900 RESTRICTS CALLS TO N11 SERVICE, 1+900,0+900, 976, 1+976

This service will complete the call to the number for which the caller was inquiring

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State Communications Feature Descriptions

FEATURE NAME

Flexible Call Forwarding

DESCRIPTION

Flexible Call Forwarding (FCF) and Flexible Call Forwarding - Plus (FCF-Plus) provide customer control for call forwarding capabilities via dial-accessed voice prompt menus. (The Company will provide an Administrative telephone number for such access.) Access to these menus is available from the telephone service on which the FCF feature is provided (the base station), and also from telephone services separate from that base station service. Access from these "separate" services requires a customer-determined password (or PIN). The menus provide access to the following capabilities:1. Flexible Call Forwarding. Forwarding- Allows the customer to specify a telephone number to which calls incoming to the base station service will be transferred. Most such use is a "Forward There" application. When the menu is accessed from a separate service, a "Forward Here" feature can be utilized under certain conditions. Speed Forwarding- Allows the customer to set up codes (#1-8) for abbreviated dialing of the telephone n

Flexible Call Forwarding - Plus

In addition to the above: Flexible Call Forwarding "Plus. FCF-Plus includes an additional (or "dial around") telephone number and listing, distinctive ringing and all the capabilities of the basic FCF service on the primary number. The optional feature Audio Calling Name (ACN) is also available on the primary number. FCF-Plus allows certain calls to be received at the base station even while forwarding is activated on the primary number. FCF-Plus is available to residential customers only.

Flexible Call Forwarding - Plus (Audio Calling Name)

Flexible Call Forwarding (Audio Calling Name)

Inside Wire Maintenance

Inside Wire is all telecommunications wire and associated material that is located on the customer's side of the network interface, on the same premises. This service will cause for State Communications to be responsible for the aforementioned products.

Message Waiting Indicator - Audible

Message Waiting Indicator - Audible/Visual

My Call Service 1 & 2

Message Waiting Indication " Audible, is a feature that enables end users to receive Message Waiting Indication on their lines.

Message Waiting Indication - Audible/Visual, is a feature that enables end users to receive audible and visual indication that a message is waiting. My Call service will enable a subscriber to have up to three telephone numbers associated with a single line. Customers subscribing to this service will be able to receive calls dialed to two or three separate telephone numbers without having a second or third line. A distinctive ringing pattern will be provided for each of the additional telephone numbers to facilitate identification of incoming calls. A distinctive Call Waiting tone for each additional telephone number will be provided, where facilities permit, to customers subscribing to Call Waiting service. My Call service is offered in the following format. My Call service 1 consists of one additional telephone number associated with a single line. My Call service 2 consists of two additional telephone numbers associated with a single line.

Preference Call

Call Selector provides a distinctive ringing pattern to the subscribing customer for up to six specific telephone numbers.

Preferred Call Forwarding

Preferred Call Forwarding allows the customer to transfer selected calls to another telephone number. A screening list of up to six numbers is created by the customer and placed in the network memory via an interactive dialing sequence. Subsequently, calls are forwarded to the Call Forwarding telephone number only if the calling number can be obtained and is found to match a

number on the screening list.

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State Communications Feature Descriptions

FEATURE NAME

DESCRIPTION

Remote Access Call Forwarding Variable

Same as Call Forwarding Variable, except that the features can be accessed from a remote site. The customer does not have to be on the actual line being forwarded.

Repeat Dialing

Grouping Service is a combination of two or more residence or business lines or trunks connected to the central office so that incoming calls overflow to the next available line or trunk if that line is busy

Speed Calling 30

Provides for the calling of a 7 or 10 digit telephone number by dialing an

Speed Calling 8

abbreviated code.

Provides for the calling of a 7 or 10-digit telephone number by dialing an

abbreviated code.

Three Way Calling

Permits an existing call to be held, and by dialing, a second telephone call can be established and added to the connection. Two toll points may be connected on a three-way Calling. Normal transmission performance cannot be assured on

all calls.

Three Way Calling with Transfer

This feature allows a user to hold an in-progress call and complete a second call while maintaining privacy from the first call, or to add on the previously held call for a three-way conference. Incoming calls may be transferred to another access arrangement on an inter- or intra-switch basis. Where the subscriber originates both legs of a three-way call, those legs will remain bridged together when the subscriber goes on hook when at least one of the legs is an intra-switch call. Where the subscriber originates two inter-switch legs of a three-way call, both legs remain bridged when the subscriber goes on hook where the serving switch is not a 5ESS switch. For such calls in a 5ESS switch, both interswitch legs are disconnected when the subscriber goes on hook. This feature shall not be used to extend calls on a planned and continuing basis to intentionally avoid the payment in whole or in part of message charges, toll or otherwise, that would regularly be applicable between the stations bridged together by

Verification & Interruption of Busy

Verification Service provides operator assistance in determining if a called line is in use. Interruption Service provides for operator interruption of a conversation in progress on a called line. The customer may request these services for a charge, where facilities are available, by calling the "O" Operator.

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State Communications Business Option P

Option 1Flat rated plan which allows for unlimited calling within the LATA (includes a usage allowance of 120 hours/7200 minutes)

Monthly Rate and per

Minute of Use USOC-

 Each line
 \$ 60.80
 BT1

 Each Minute of use above 120 hours (7,200 minutes)
 \$ 0.05

Option 2Combination rated plan which provides for unlimited usage within the basic service area for a flat monthly charge, and a Single rate for each minute of use for all other calling within the LATA.

Monthly Rate and per Minute of Use USOC-

Each line State USOC Each Minute of use outside the Basic Service Area \$ 0.12

*Touch-Tone service is included in State Communications Business Option P

*Usage billed in full-minute increments

State Communications Business Option C Package

Option 1

Flat rated plan which allows for unlimited calling within the LATA (includes a usage allowance of 120 hours/7200 minutes), plus also provides the subscriber with up to five compatible services and features from the below list. The calling features chosen.

Monthly Rate and per Minute of Use USOC- State USOC
Each line \$74.05 BC1

Each Minute of use above 120 hours (7,200 minutes) \$ 0.05

*Touch-Tone service is included in State Communications Business Option C Package.

*Usage billed in full-minute increments.

Option 2

Combination rated plan, which provides for unlimited usage within the basic service area for a flat monthly charge, and a single rate for each minute of use for all other calling within the LATA. This also provides the subscriber with up to five compatible

Monthly Rate and per Minute of Use USOC- State USOC Each line

Each Minute of use outside the Basic Service Area

*Usage billed in full-minute increments. \$ 55.05 BC2

\$ 55.05 BC2 \$ 0.12

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4.1.3 Basic Business and Resid	ential Local
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Calling Features for State Communications Business Option C and Option P

Calling Features	USOC	CHARGES
Call Forward Busy Line	GCE	3.09
Call Forward Don't Answer	GCJ	3.09
Call Forward Don't Answer Ring Control	GCJRC	3.09
Call Forward Variable	ESM	3.56
Flexible Call Forwarding	FCS	8.55
Call Waiting	ESX	3.71
Speed Calling 8	ESL	3.04
Speed Calling 30	ESF	4.51
Three Way Calling	ESC	3.56
Message Waiting Indicator - Audible	MWW	0.48
Message Waiting Indicator - Visual	MWWAV	0.48
Call Return	NSS	4.28
Call Block	NSY	4.28
Call Tracing	NST	4.75
Repeat Dialing	NSQ	4.28
Preference Call	NSK	3.33
Preferred Call Forwarding	NCE	3.33
My Call I	DRS	6.65
My Cali II	DRS1X	9.50
Remote Access Call Forwarding	GCZ	7.36
Three Way Calling with Transfer	ESCWT	

When more than five calling features are subscribed to in one State Communications Business Option C Package, five calling features are applied to the State Communications Business Option C Package limits. The remaining calling features may be eligible for the

	11000	٠.	4 - 5	USOC	Costs	# of
# of	USOC	Costs	# of	0300	Costs	
Features			Features			Features
20	MFD11	(\$20.25)	11	MFD2X	(\$0.75)	2
	MFD12	(\$22.50)	12	MFD3X	(\$2.25)	3
	MFD13	(\$24.75)	13	MFD4X	(\$4.50)	4
	MFD14	(\$27.00)	14	MFD5X	(\$6.75)	5
	MFD15	(\$29.25)	15	MFD6X	(\$9.00)	6
	MFD16	(\$31.50)	16	NFD7X	(\$11.25)	7
	MFD17	(\$33.75)	17	MFD8X	(\$13.50)	8
	MFD18	(\$36.00)	18	MFD9X	(\$15.75)	9
	MFD19	(\$38.25)	19	MFD1A	(\$18.00)	10

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4.1.3 Basic Business and Residential Local

Call Features for State Communications Business Option C and Option P Customers

The Multi-Package Discount Plan provides eligible State Communications Business Option C Package customers reduced monthly package rates based upon the number of State Communications Business Option C Packages Subscribed to. Eligibility for the discounts is

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1. A minimum purchase of two State Communications Business Option C Packages is required.

2. The State Communications Business Option C Packages must be provisioned to a single customer at a single location.

3. Only the lines at the customer location that are in a hunting arrangement are eligible. The number of Discount Eligible
Packages equal the number of lines in hunt.

PACKAGE	COST	USOC	PACKAGE	COST	USOC
(a) 1 package -	· NA	NA	(e) 5 packages	(\$25.00)	MDP05
(b) 2 packages	(\$4.00)	MDP02	(f) 6 packages	(\$36.00)	MDP06
(c) 3 packages	(\$9.00)	MDP03	(g) 7 packages	(\$49.00)	MDP07
(d) 4 packages	(\$16.00)	MDP04	(h) 8 or more packages	(\$64.00)	MDP08

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4.2 Service Charges (Cont'd)

4.2.3 <u>Telephone Number Change Charge</u>

Nonrecurring Charge

A) Telephone Number Change at Customer's Request

i) Second Service Ordering Charge, per

Customer request

\$33.25

ii) Per telephone number changed

\$11.40

Local Number Portability

Local Number Portability is the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another. LNP is mandated in Section 251 (b) (2) of the Telecommunications Act of 1996 (Act), and the Federal Communications Commission's (FCC) Orders in CC Docket 95-116 (Telephone Number Portability).

Recurring Monthly Charge

\$.39 per line

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4.2 Service Charges (Cont'd)

4.2.3.1 Secondary Service Charge Application

- A. The Secondary Service Charge will not apply if a Line Connection Charge or Line Charge Charge is applicable.
- B. The Secondary Service Charge Applies for adding or rearranging:
- 1. Custom Calling Service
- 2. Rotary Service
- 3. Specialize calling Features
- 4. Custom Code Restriction
- 5. Customer requested directory Listing Changes, except where excluded in this tariff.
- 6. Remote Call Forwarding
- 7. Other features or services for which the Line Connection Charge and Line Change Charge are not applicable

Secondary Service Charge Exceptions

- A. Service Charges do not apply for:
 - 1. Changing the primary listing of a residence customer to the name of the remaining spouse in the event of death or divorce of the spouse currently listed.
 - 2. Changes from one Flat, measured or message rate basic local service to another
 - 3. Converting existing service to Lifeline.
 - 4. The move from a premises which has been destroyed or made untenantable by a disaster such as a hurricane, tornado, fire, flood, etc. when equivalent service is established, to the new/temporary location of for the move back into the original location.
 - 5. Changing telephone numbers when in the judgement of the Company such charges are necessary for continuation of satisfactory service.
 - 6. Request for partial or full disconnection.
 - 7. Upgrades from State Back Up Line service to Business individual Line service.

Secondary Service Charge

Applies per customer request (a)	Residence 20.00	Business 24.00	
State customer's will receive 5% off the above	(T)		
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4.2 <u>Service Charges (Cont'd)</u>

4.2.4 Restoration Charge

A) Temporary Suspension at Customer's Request

	Nonrecurring Charge
Secondary Service Ordering Charge, per	
Customer request	\$34.25
Charge per Telephone Number Restored	\$34.25

B) Nonpayment

In the event service is temporarily interrupted for nonpayment, such service will be restored upon payment of charges due or, at the discretion of the Company, a substantial portion thereof, and in addition, charges as specified following will be applicable to restore such services.

Secondary Service Ordering Charge, per request \$34.25 Charge per Telephone Number Restored \$34.25

C) During any period of suspension, one-half the regular monthly rate paid before any suspension applies.

4.2.5 Telephone Company Transfer Charge

\$17.83

This fee is charged when a customer switched from another local service provider to State Communication, Inc.

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- 4.3 <u>Central Office Non-Transport Service Offerings</u>
 - 4.3.1 <u>Direct Inward Dialing Service (DID)</u>

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- 4.3 <u>Central Office Non-Transport Service Offerings</u> (Cont'd)
 - 4.3.2 <u>Identified Outward Dialing (IOD) from Customer Premises Located Switching Systems</u>
 - A) Central Office Equipment Identified Outward Dialing for:

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4.4 <u>Custom Calling Services</u>

4.4.1 Residence - Individual Features

•			Monthly Rate
	·		
1)	Call Forwarding Variable	\$2.61	
2)	Three Way Calling		\$2.61
3)	Call Waiting		\$2.85
4)	Speed Calling (8-code)	\$2.09	
. 5)	Speed Calling (30-code)	\$3.56	
6)	Call Forwarding Busy Line		\$.95
7)	Call Forwarding Don't Answer	\$.95	
8)	Remote Access-Call forwarding		
	variable	\$5.46	
9)	Customer control of call forwarding		\$2.85
10)	Customer control of call forwarding		
	don't answer		\$2.85
11)	Call forwarding busy line multiple		
	simultaneous calls		\$1.90
12)	Call forwarding don't answer multiple		
	calls		\$1.90
13)	Call forwarding variable multiple		
	simultaneous calls		\$2.85
14)	Call waiting deluxe		\$5.70
15)	Auto Call Back	\$3.99	
16)	Repeat Dialing	\$3.99	
17)	Call Screening	\$1.90	
18)	Caller-ID	¥ ¥	\$6.65
19)	Three-way Calling		\$2.99
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- 4.4 <u>Custom Calling Services</u> (Cont'd)
 - 4.4.2 <u>Business/Business PBX Individual Features</u>

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- 4.4 <u>Custom Calling Services</u> (Cont'd)
 - 4.4.3 Per Call Three Way Service
 - A) Per activation, and completion of second leg of 3-way call

\$0.71

4.5 Operator Assisted Local Calls

The following service charges for operator-assisted local calls apply in addition to the local dial rate applicable:

Station-to-Station operator-assisted charges:

Each (non-recurring charge):

Collect

\$1.37

Person-to-Person operator-assisted local call:

Each (non-recurring charge):

\$4.40

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4.5 Operator Assisted Local Calls (Cont'd)

The following operator-assisted local calls are exempted from the service charge:

- Calls to designated Company numbers for official telephone business
- Emergency calls to recognizable authorized civil agencies
- Those cases where a Company operator provides assistance to re-establish a call which has been interrupted after the calling number has been reached, reach the calling number where facility problems prevent customer dial completion, and/or place a non-coin, sent paid call for a calling party who identifies himself as being handicapped and unable to dial the call because of said handicap.

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4.6 <u>Verification and Emergency Interrupt Service</u>

4.6.1 Application of Rates and Charges:

No charge will apply if the requesting customer identifies that the call is to or from an official public emergency agency. An official public emergency agency is defined as a government agency which is operated by the Federal, State or local government, and has the capability and legal authority to provide prompt and direct aid to the public in emergency situation. Such agencies include the local police, State police, fire department, etc.

Charges may not be billed on a collect basis or on a third number basis to the number being verified or interrupted.

If the number verified is not in use, or as a result of interrupt the line is cleared, and, at the calling party's request, the operator completes the call, the charges for Operator Assisted Local Calls as defined in Section 5.4 of this tariff apply in addition to the applicable verification and emergency interrupt charges.

Non-recurring <u>Charge</u>

Verification request, Each:

\$ 1.08

Emergency Interrupt request, Each:

\$ 1.60

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4.7 Local Usage Detail

Local usage detail (LUD) is an option for customers who desire a printed listing of local call details in lieu of the usual summary billing of all dialed, sent-paid, billed local usage.

The provision of LUD will coincide with the billing period(s) for the access lines to receive detailed billing, i.e. the reporting of local call details will start at the beginning of a billing period and stop at the end of a billing period. For existing customers, LUD should be ordered at least five days prior to the billing date to ensure the timely start or stop of detailed reporting. However, if LUD is requested on an order which establishes service, detailed reporting will start coincident with establishment of the service.

LUD will be provided on a per account basis.

Per monthly printed listing of local calls

Charge

Per bill monthly

\$9.50/Bill Monthly

When an order is issued solely to initiate LUD, a Record Order charge applies. Otherwise, normal service order charges apply.

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Section 5 - DESCRIPTION OF SERVICES (Cont'd)

5.8 <u>Custom Calling Services</u>

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Section 6 - MISCELLANEOUS SERVICES

6.1 Custom Number Service

6.1.1 General

Custom Number Service allows business and residence customers to select a specific telephone number, or request one that is easy to remember because of repeating digits or another numerical pattern preference. The Company will verify the availability of the requested number and, when feasible, assign the number. When the initial number requested is not available, customers may request, in order of preference, other specific telephone numbers.

Custom Number Service is applicable to telephone numbers associated with all Exchange Services.

6.1.2 Regulations

Custom Number Service is furnished subject to the availability of facilities and the requirements of local exchange service as defined by the Company.

Number selection will be permitted on the last 4-5 digits of the telephone number from the customer's serving central office. When Custom Number Service is furnished with Foreign Central Office Service and Foreign Exchange Service, the appropriate channel charges also apply.

The Company reserves all rights to the Custom Number Service telephone number which is assigned to the customer, in accordance with General Regulations specified in Section 2 of this Tariff.

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Section 6 - MISCELLANEOUS SERVICES (Cont'd.)

6.1 <u>Custom Number Service</u> (Cont'd.)

6.1.2 <u>Regulations</u> (Cont'd.)

The Company records, including directory services, will be maintained in numeric format only.

The Company will not be responsible for the manner in which Custom Numbers are used for marketing, advertising and other purposes by the customer.

Charges for Custom Number Service are in addition to any charges applicable to the service with which it is associated.

Charges apply when a Custom Number Service telephone number is assigned. Charges are not applicable when the customer's number assignment preference cannot be met and an assignment from the Company's normal assignment process is made.

6.1.3 Rates and Charges

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Section 6 - MISCELLANEOUS SERVICES (Cont'd.)

6.2 Directory Listings

Directory Listing Rates:	Monthly Rate fo	r Each Line
Non-Published Listings	\$2.50	NPU
Non-Listed Listings	\$1.30	NLT
Additional Listing (Business)	\$1.80	CLT
800 Service	\$1.80	SZS
Additional Listing Residential	\$1.20	RLT
Miscellaneous Listing		
Residential	\$1.80	FNA
Business	\$1.80	NAB
Cross Reference Listing		
Business	\$1.80	LLT
Residential	\$1.20	LRT
Dual Name Listing	See Ad	ditional Listing
Foreign Listing		
Business	\$1.80	FAL
Residence	\$1.20	FRW
Foreign Cross Reference Listing		
Business	\$1.80	FALCX
Residence	\$1.20	FRWCX
Foreign Alternate Listing		
Business	\$1.80	FALSX
Residence	\$1.20	FRWSX
Foreign Special Text		
Business	\$1.80	FALTX
Special Text Listing	\$1.80	XLL
Titles and Suffixes		
Residence (in excess of one)	\$1.20	XLDRX
Business	\$1.80	XLDCX
Designer Listings		
A) Designer Bold	\$2.00	LBB
B) Designer Bold Plus	\$3.00	LBBAB
C) Designer Script	\$2.00	SF8
D) Designer Script Plus	\$3.00	DLMDX
E) Designer Line Standard	\$3.00	XTL
F) Designer Line Bold	\$4.00	DLMEX
G) Designer Line Script	\$4.00	DLMFX

All TriVergent Communications, Inc. Customers will received 5% off the above referenced rates, unless otherwise indicated.

Issued: Effective:

Issued By:

Shaler Houser

Chief Executive Officer

TriVergent Communications, Inc. 200 North Main Street, Suite 303

Section 7 - PROMOTIONAL OFFERINGS

7.1 General

The Company may from time to time engage in special promotional offerings or offer discounts based on volume or contract terms. The promotion may offer services at a reduced recurring and/or non-recurring rate or offer the services free under terms specified in the promotion. Customers shall be given appropriate notice of any such offerings. Term contract discounts will also be made available to Customers.

236682.1

Issued:

Effective:

Issued By:

Shaler Houser

Chief Executive Officer

TriVergent Communications, Inc. 200 North Main Street, Suite 303